

BEFORE THE PUBLIC UTILITIES COMMISSION
OF STATE OF HAWAII

In the Matter of)	DOCKET NO: 2013-0168
)	
PUBLIC UTILITIES COMMISSION)	
)	
Opening a Proceeding to Review the)	
Progress of Castle & Cooke Resorts,)	
LLC's Proposed Lanai Wind Project.)	
_____)	

MOTION TO INTERVENE
DECLARATION OF ROBIN KAYE
EXHIBITS 1-12

AND

CERTIFICATE OF SERVICE

FILED
2013 JUL 29 P 1:35
PUBLIC UTILITIES
COMMISSION

ISAAC D. HALL #2238

2087 Wells Street
Wailuku, Maui, Hawaii 96793
Telephone: (808) 244-9017

*Counsel for Friends of Lānaʻi,
Inc.*

BEFORE THE PUBLIC UTILITIES COMMISSION
OF STATE OF HAWAII

In the Matter of)	
)	
PUBLIC UTILITIES COMMISSION)	DOCKET NO: 2013-0168
)	
Opening a Proceeding to Review the)	
Progress of Castle & Cooke Resorts,)	
LLC's Proposed Lanai Wind Project.)	
_____)	

MOTION TO INTERVENE

Pursuant to Section 6-61-55 of the Hawaii Revised Statutes ("HRS") Friends of Lānaʻi ("FoL"), a public interest, not for profit entity registered with the State of Hawaiʻi, by and through its undersigned attorney hereby moves to intervene and become a party to Docket No. 2013-0168, opened by the Hawaiʻi Public Utilities Commission ("Commission") to investigate and review the progress of Castle & Cooke Resorts ("CCR") proposed industrial wind power plant on Lānaʻi. No hearing is requested on this Motion.¹

I. THE NATURE OF FOL'S STATUTORY OR OTHER RIGHT TO PARTICIPATE IN THESE PROCEEDINGS.

¹ Pursuant to HAR §6-61-57(3), a Motion to Intervene must be filed within twenty (20) days to be timely. The Order Opening this Docket was filed on July 11, 2013 and FOL filed its Motion with the Commission on July 26, 2013.

FoL seeks to exercise the invitation offered by the Commission's Order No. 31355 that "[a]ny interested individual, entity, agency, or community or business organization may file a motion to intervene."² FoL notes that motions to Intervene are to be liberally granted, according to Hawai'i constitutional, statutory and regulatory law. The Hawai'i Supreme Court has acknowledged many times within the last thirty (30) years the expansive trend in modern standing jurisprudence.

In *In re Hawaiian Electric Co.*, 56 Haw. 260, 535 P.2d 1102 (1975) the Hawai'i Supreme Court held that a public interest group, similar to FoL, was a person "aggrieved" and therefore had standing to appeal. The case involved a challenge mounted by Life of the Land and one of its members against rate increases approved by the Public Utilities Commission. In upholding their right to appeal the rate determination, the Hawai'i Supreme Court ruled:

A ratepayer who is compelled to pay higher utility rates by agency action is a person specially, personally and adversely affected. The fact that he shares this additional burden with all other users does not disentitle him from challenging the results. *Cf. United States v. SCRAP*, 412 U.S. 669, [93 S.Ct. 2405, 37 L.Ed.2d 254] (1973); *Sierra Club v. Morton*, 405 U.S. 7[2]7, [92 S.Ct. 1361, 31 L.Ed.2d 636] (1972).

In Re Hawaiian Electric, 535 P.2d at 1105.

The Court also ruled that:

The practical effect of denying the appellants standing here would be to silence the voice of all those who would speak in the public interest, a duty that normally resides with the PUC staff.

Id. at 1106.

² Order opening Docket 2013-0168, filed 7/11/13, at 14.

Similarly, FoL has a significant interest in this docket as FoL represents the interests of numerous Lānaʻi property owners, residents, rate and tax payers, and individuals from all islands in Hawaiʻi who are concerned about the status of the so-called “Big Wind” industrial development, a development that could potentially result in adverse social, cultural, economic and environmental impacts on the island of Lānaʻi, as well as adversely impacting other areas of the state.

FoL has been closely monitoring various dockets and proceedings before the Commission relevant to the proposed industrial wind power plant on Lānaʻi for the past five years, and has raised many of the concerns the Commission now identifies in this and related dockets filed on July 11, 2013,³ among them whether CCR has retained an “equivalent ability”⁴ to develop a 200MW-400MW industrial power plant.⁵

Although the Commission has clearly stated many times that there are no existing approvals for a Lānaʻi wind facility,⁶ it did provide a waiver from the competitive bidding process for the Lānaʻi portion in 2009.⁷ FoL continues to

³ Docket Nos. 2011-0038, 2011-0039, 2013-0168, 2013-0169.

⁴ Order 31355, Docket 2013-0168 at 11.

⁵ See FOL Request for Disclosure of Government Records, filed in Docket 2012-0157 on 11/7/12, at 7.

⁶ Order opening Docket 2013-0168, filed 7/11/13 at 10; but see, HECO Motion for Reconsideration of Interim Decision and Order, filed 8/3/11 in Docket 2010-0080 at 5: “[t]he **Commission has already found that it is reasonable and in the public interest for [HECO] to take steps to utilize the wind resource available on Lanaʻi and Molokaʻi.**” (Emphasis added.)

⁷ FOL reasserts its position that the Commission’s waiver granted to Hawaiian Electric (“HECO”) and CCR in Docket 2009-0327 was clear error.

believe the process followed thus far regarding CCR's Lānaʻi proposal has been conducted in violation of environmental laws, and is gratified that the Commission is seeking additional information on the status of this proposal at this time.

FoL should be allowed to intervene and participate in an investigation that vitally affects the group, its supporters, the state's rate and taxpayers, the island of Lānaʻi and its environment.

II. THE NATURE AND EXTENT OF FOL'S PROPERTY, FINANCIAL, AND OTHER INTEREST IN THE PENDING MATTER.

As mentioned above, FoL represents numerous Lānaʻi property owners, residents, rate and tax payers, and individuals from all islands in Hawaiʻi who are concerned that, despite the absence of an Environmental Impact Statement (EIS), the goal of which is to identify impacts and mitigation strategies for a large utility-scale industrial power plant such as has been proposed for Lānaʻi, Hawaiian Electric ("HECO") has consistently sought special treatment for CCR's project on Lānaʻi; it continued to do so throughout the recently concluded Integrated Resource Planning process in Docket 2012-0036.⁸

FoL has previously questioned the dubious wisdom of permitting a private profit-driven real estate developer to set state energy policy by moving

⁸ As HECO noted in the Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc., Maui Electric Company, Limited; 2013 IRP Report: despite uncertainty "with the interisland cable cost assumptions", which it considered "a major factor in whether this project is cost competitive and will materialize", nonetheless "[e]nergy from the 200 MW Lanai wind project was analyzed in all of the scenarios [emphasis added]." Docket No. 2012-0036, "2014 - 2033 IRP Report", filed 6/28/13, at Chapter 19-10.

to intervene or seek records in Dockets 2007-0331, 2009-0327, 2011-0225 and 2012-0157.⁹ However, as the Commission pointed out in Order No. 31354 (“providing guidance for the draft final Oahu 200 MW renewable energy RFP”), times have changed:

“HECO’s Oahu 200 MW RFP was initiated after a number of unusual events and at a time when, by necessity to meet the renewable portfolio standards mandate, any and all renewable projects were wholeheartedly supported.”¹⁰

Now, as has been reported in the press, several state energy officials and utility voices have recently acknowledged that Big Wind on Lānaʻi is no longer needed to achieve the RPS mandates,¹¹ and reported costs of an undersea cable, devoted to the “limited” purpose of a one-way connection to service CCR’s project¹² on Lānaʻi, vary widely and are highly uncertain.¹³

⁹ FoL incorporates by reference all arguments set forth in motions and related filings in those dockets, as if fully set forth herein.

¹⁰ Docket 2011-0225, Order No. 31354, filed 7/11/2013, Providing Guidance for Development of the Draft Final Oahu 200 MW Renewable Energy RFP, at 15.

¹¹ Pacific Business News, 7/7/13: ***“Hawaii State Energy Office Administrator Mark Glick said Tuesday that the 200-megawatt portion of the so-called ‘Big Wind’ project on Lanai isn’t essential for helping the state reach its renewable energy goal.”*** http://www.bizjournals.com/pacific/news/2013/07/02/glick-hawaii-doesnt-need-lanais-big.html?ana=e_du_pub&s=article_du&ed=2013-0702&u=tkOEINfdaYSRlt4eoKN5QukrlVQ&t=1374365216; Civil Beat, 7/5/13: ***“HECO says each island, including Oahu, can meet renewable energy requirements on their own.”*** <http://www.civilbeat.com/articles/2013/07/05/19436-is-hawaiis-interisland-cable-plan-dead/>, citing to IRP Report, filed 6/28/13 in Docket 2012-0036, Executive Summary (ES) at 15. [Kaye Declaration, Exhibits 1-2]

¹² Docket 2011-0225, Order No. 31354, at 2.

¹³ For example, according to the “Status and Perspective on the Big Wind/Cable Project” Report, prepared for the Department of Business, Economic Development and Tourism (DBEDT) by Navigant Consulting, 4/19/2011 at page 31, the estimated levelized cost of the undersea cable unit (“CCC” option) was 5.6¢/kWh. [Kaye Declaration, Exhibit 3] On the other hand, the 2013 IRP Report estimated, assuming 774 GWh are produced and transmitted, that the “cable interconnection could add as much as 12 cents per KWh to the cost per KWh of the energy produced by a 200 MW wind farm on Lanai.” 2013-2033 IRP Report, Docket 2012-0036, Chapter 18-27.

Moreover, CCR, the private for-profit developer of the so-called "Big Wind" proposal, has relinquished ownership and control of all assets targeted for the project,¹⁴ including lands over which roads must be built, "laydown" areas bulldozed, harbors re-engineered,¹⁵ and undersea cables drilled and laid. It appears the target area has been drastically reduced - without explanation - from the 22,000 acres proposed in CCR's draft EISPN,¹⁶ to 7,000 acres¹⁷ of uncertain and undisclosed location; this may drastically reduce CCR's ability to avoid sensitive cultural areas.¹⁸ The HECO companies recently acknowledged as much: the Integrated Resource Planning ("IRP") Report filed with the Commission for the first time publicly and expressly acknowledges the scope of the adverse impacts contemplated on Lānaʻi:

There are also qualitative factors that must also be considered such as:

- *Visual Impact: obstruction of view planes and aesthetics;*

¹⁴ Docket 2013-0168, Order No. 31355, at 11.

¹⁵ FoL notes that HECO's responses to comments in the RFP Docket, 2011-0225, contained this admonition: "In the case of either a Lanaʻi cable Bid or a Lanaʻi cable option, the Bid must include the estimated cost of terminating the cable or cable connection on Lanaʻi. If the Bidder does not have necessary land rights on Lanaʻi, the Bidder will [be] required to identify the Bidder's estimated costs for the Lanaʻi site, the Bidder's estimated costs for upgrading Lanaʻi infrastructure to allow for installation of cable facilities on Lanaʻi, and the price impact of any difference between the estimated costs and the allowed actual costs." *Responses to Comments Submitted on Draft RFP* posted 2/8/2013 at p. 3: <http://www.heco.com/vcmcontent/GenerationBid/HECO/CompetitiveBid/RFP%20Comment%20Responses%20-%2002%2008%202013.pdf> [Kaye Declaration, Exhibit 4]

¹⁶ On September 24, 2008, CCR filed its preliminary draft EISPN, in which it stated: "The proposed wind generation facility would be located within the primary wind resource area of approximately 12,800 acres (as shown in Figure 2) on the island of Lanai. Castle & Cooke plans to develop the wind energy facilities within the limits of the primary Wind Resource Area (WRA). However, during the design phase it may be necessary to extend the project facilities into the 9,300 acre secondary WRA to avoid impacts to natural or cultural resources, address topographical issues, or to accommodate other design issues." Section 2-1. [http://oecq.doh.hawaii.gov/Shared%20Documents/EA and EIS Online Library/Lanai/2000s/2008-10-08-LA-FEA-EISPN-Lanai-Wind-Farm.pdf](http://oecq.doh.hawaii.gov/Shared%20Documents/EA%20and%20EIS%20Online%20Library/Lanai/2000s/2008-10-08-LA-FEA-EISPN-Lanai-Wind-Farm.pdf) [Kaye Declaration, Exhibit 5]

¹⁷ Docket 2013-0168, Order No. 31355, at 9, citing to CCR's Application in Docket 2012-0157, filed on 6/19/2012 at 2-3.

¹⁸ CCR draft EISPN, *supra* at 2-1.

- Hazards to birds and wildlife;
- Whale habitat: dangers posed by cable laying ships and submerged cable;
- Reef Impact: damage from cable laying and directional drilling;
- EMF impacts on sea life;
- On-shore termination: land impacts, land use, visual impacts for onshore conversion stations;
- Turbine location known to contain culturally sensitive areas.”

IRP Final Report, filed 6/28/13 in Docket 2012-0036 at Chapter 19-10.¹⁹

In fact, CCR’s sale of its assets on Lāna‘i prompted FoL to file a formal Request for Disclosure of Government Records with the Commission on November 7, 2012, in Docket 2012-0157 by which FoL expressly sought the information the Commission now seeks to ascertain: the terms and conditions reserved by CCR that would reveal the extent of its ability to pursue Big Wind on Lāna‘i.²⁰ FoL did so because, as previously argued, thus far the significant

¹⁹ Nonetheless, the HECO companies appear committed to pursue Big Wind on Lāna‘i at all cost: *“The Companies recognize that there are many uncertainties that question the viability of completion of this project due to community opposition. However, the Companies have a legally-binding Term Sheet for this project and will continue to consider negotiation of a PPA for this project in the Action Plan.”* 2014 - 2033 IRP Report, Docket 2012-0036, at Chapter 19-10.

²⁰ For example, according to the Navigant Report, 4/19/2011 at Appendix 2-4, the following are just a few of the technical tasks and considerations relevant to CCR’s ability to “perform,” which must be viewed in light of Moloka‘i’s departure from the Big Wind equation:

“The Wind Project on Lāna‘i will interconnect with one of the co-located 200 MW converter stations on Moloka‘i via the AC submarine cable. The point of interconnection (and demarcation) will be the transition station on the North Shore of Lāna‘i. Castle & Cooke will be responsible for installing the 138 kV transmission line (or buried cable) between its Wind Project substation and the transition station on the north shore of Lāna‘i. The AC submarine cable between the Lāna‘i transition station and the converter station on Moloka‘i will be the responsibility of the cable developer as part of the Cable Project. The landing site for the AC cable on the south shore of Moloka‘i will be through or under an existing break in the coral. The cable would continue for about one mile to the converter station site. Substantial directional drilling will be required to bring the cable from the transition station on Lāna‘i into the waters of the Kalohi Channel. Minimal directional drilling may be required on Moloka‘i. As indicated above, installing the converter station for the Lāna‘i Wind Project on Moloka‘i will provide substantial cost savings. Converter stations include very sensitive and heavy (single phase transformers weigh almost 100 tons each) equipment. Because of the inability of the Kamalapau [sic] Harbor to off-load heavy equipment and the virtual non-existence of roads on Lāna‘i to handle such heavy equipment, very substantial infrastructure costs would need to be incurred to install a converter station on Lāna‘i.” See:

<http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0CC8QFjAA&url=http%3A%2F%2Fenergy.hawaii.gov%2Fwp-content%2Fuploads%2F2011%2F10%2FNavigant-2011.pdf&ei=IcbqUcHoA6WUiQLhhYHgDO&usq=AFOjCNH91XUkKINawU20WZvTKSRM36KOIQ&sig2=7ln6tHpVR0MMMSQPrHdq2A&bvm=bv.49478099,d.cGE> [Kaye Declaration, Exhibit 6]

adverse effects that would directly result from the construction of an industrial wind plant on Lānaʻi, consideration of the irrevocable alteration of roads and Lānaʻi's only commercial harbor,²¹ and potentially the island's shoreline assets and resources, has for the most part remained below the radar in any Big Wind discussion, but is of paramount concern for FoL and its supporters. As FoL stated in its request for disclosure:²²

"The public interest in learning what the terms and conditions of the rights" retained by C&C, not an individual, outweighs unsupported and vague assertions of confidentiality, no matter how posed, and must be balanced against the many questions of public interest raised by C&C's decision to sell its property while retaining "secret" rights: does C&C have a present, future, contingent or some other possessory interest? Is there a "sunset" date after which the unknown terms and conditions of the "retention" rights will be extinguished if not exercised? To whom would the F[ish and Wildlife Service] or the B[oard of Land and Natural Resources] resort if there is a violation of the I[ncidental Take License] on land C&C no longer owns?^[23] Which, and where, are the specific acres of

²¹ See e.g. CCR's draft EISPN 9/24/2008, at 2.4.9 and 2.4.10:

"Logistics will prove to be every bit as challenging as construction. Nearly all foundation, electrical and turbine components will need to be brought to the island via barge transport. The harbor in Lanai has been designated as a "Barge Only" harbor which restricts the transportation of materials to much smaller vessels thus adding the number of trips required for project construction. A transportation professional will manage the tasks associated with this activity. Deliveries of materials and components for the wind farm to the Lanai harbor will need to be coordinated with the island's current suppliers.

The existing Kaunalapau Harbor constructed approximately 80 years ago is small and as noted above only designed for barges limited to approximately 300 feet maximum length. In addition some of the wharf pilings are no longer structurally sound or even founded on bedrock. As a result the central portion of the wharf is restricted to limited loads and could not be used for turbine component off loading. **The wharf is state owned but Castle & Cooke is currently studying improvements to the facility and plans to implement those improvements in the near future.** These improvements, which include connecting nonbearing piles to bedrock, installing a new fender system, removal and reconstruction of the no-load section of the wharf, and removal of debris from the harbor floor, would increase the efficiency of the facility to accommodate all water-borne traffic." (Emphasis supplied)
[http://oeqc.doh.hawaii.gov/Shared%20Documents/EA and EIS Online Library/Lanai/2000s/2008-10-08-LA-FEA-EISPN-Lanai-Wind-Farm.pdf](http://oeqc.doh.hawaii.gov/Shared%20Documents/EA%20and%20EIS%20Online%20Library/Lanai/2000s/2008-10-08-LA-FEA-EISPN-Lanai-Wind-Farm.pdf) [Kaye Declaration, Exhibit 7]

²² On December 20, 2012, FoL filed an appeal of the Commission's denial of FoL's Disclosure Request with the Office of Information Practices; OIP Appeal No. 13-20. [Kaye Declaration, Exhibit 8]

²³ On December 16, 2011, the BLNR granted CCR a requested extension of the incidental take license (ITL) until March 1, 2016, in order to allow continued collection of wind data; CCR reserved the right to reinstall all or any of the approved 6 MET towers. Pursuant to HRS §195D-4(h): "Licenses issued [] shall run with the land for the term agreed to in the plan or agreement and shall not be assignable or transferable separate from the land." According to limited public information thus far disclosed by CCR

land on Lana'i subject to the retention rights? Should the Commission-granted waiver from competitive bidding granted C&C in Docket 2009-0327 be maintained as valid, since the waiver was based on ownership and site control that no longer exist?"²⁴

"This last question is especially relevant in that, as noted earlier, numerous potential bidders responding to the 200 MW RFP in Docket 2011-0225, which the Commission ordered to be subject to competitive bidding, will have to demonstrate what C&C has now relinquished, on terms it seeks to hide: site control."²⁵

Now that the Commission has determined that CCR's proposed power plant will be evaluated as a "combined resource" as defined in the RFP submitted in Docket 2011-0225,²⁶ CCR's "equivalent ability" to perform will of necessity have to include a myriad of details about a potential cable connection, the routes and required permits for sites over which a gen-tie cable would pass, and will have to address additional issues regarding cost that were not contemplated when CCR secured the waiver from competitive bidding in 2008.

Not only is CCR's site control and ability to proceed uncertain, but the ability to perform promises made many years ago by CCR, HECO and MECO upon which, in part, the Commission based its decision to permit CCR to

subsequent to the sale of Lana'i assets on June 27, 2012, the land subject to the ITL is now under the control and ownership of Lana'i Resorts, aka Pulama Lana'i. [Kaye Declaration, Exhibit 9]

²⁴ Request For Disclosure, Docket 2012-0157 at 14.

²⁵ *Id.* at FN 27.

²⁶ "A 'Combined Resource Bid' is a Bid for an Off-O'ahu Generator combined with an inter-island transmission cable and associated facilities from the island on which such resource is located to the Hawaiian Electric System." Draft RFP, filed with the commission 10/14/12 in Docket 2011-0225 at Chapter 1, p. 1. [Kaye Declaration, Exhibit 10]

continue negotiating a power purchase agreement (PPA) outside the competitive bidding process,²⁷ now appear moot.²⁸

On January 3, 2011, CCR and HECO signed a "letter agreement" that detailed "Lanai Wind Farm Energy Pricing and Community Benefits."²⁹ Among them were several "commitments" that are now in question. In June, 2012 CCR sold its holdings on Lānaʻi: is CCR still in a position to "continue resident access to hunting resources" or "make available comparable acreage;" continue to "provide full access to coastal fishing area in the Ka'a region;" and provide "current residential, agricultural and commercial lessees the opportunity to purchase" properties it no longer owns? Can CCR "aggressively seek proposals from third parties to create a viable bio-fuel crop" on lands it neither owns nor controls? Will CCR "commit \$250,000 a year to watershed preservation" and "\$500,000 a year to capital improvements" to a water system it no longer owns

²⁷ According to the Commission's Order "Denying HECO's Request and Directing HECO to Submit a Draft RFP Pursuant to Framework," filed in Docket 2009-0327 on July 14, 2011, at 2: "Castle and Cooke ("C&C") has complied with the original waiver and may proceed with its negotiations with HECO for a 200 megawatt ("MW") wind farm on Lanai. However, it should be noted that this is not a commission approval of the C&C project. C&C and HECO must still seek approval from the commission for their negotiated power purchase agreement and, if applicable, the community benefit agreements." (Emphasis added).

²⁸ 2013-2033 IRP Report, Docket 2012-0036, at Chapter 18-28: "For a Lanai Wind PPA to be effective, the Commission will need to approve or certify each Inter-Island Wind Project Component, approve the community benefits and implementation steps for the community benefits that require Commission approval, and determine that the Inter-Island Wind Project (that is, the Undersea Cable System, Oahu Transmission Infrastructure and Lanai Wind PPA) would be a cost-effective means of helping the Hawaiian Electric Companies meet the RPS." (Emphasis added).

²⁹ See Navigant Report at Appendix 8: <http://www.google.com/url?sa=t&rl=j&q=&esrc=s&source=web&cd=1&ved=0CC8QFjAA&url=http%3A%2F%2Fenergy.hawaii.gov%2Fwp-content%2Fuploads%2F2011%2F10%2FNavigant-2011.pdf&ei=lcbqUclHoA6WUiQLhhYHgDO&usg=AFQjCNH91XUkKINawU20WZvTKSRM36KOIQ&sig2=7ln6tlIpVR0MMMSQPrIdq2A&bvm=bv.49478099.d.cGE>; see also, 2014-2033 IRP Report at chapter 18-26: "Other attachments to the Letter Agreement included the community benefits committed to by C&CR, and Hawaiian Electric and MECO commitments to Lanai." [Kaye Declaration, Exhibit 11]

or controls?³⁰ CCR also committed to supporting HECO's "commitments" to the people of Lānaʻi, many of which similarly appear unlikely to be performed.³¹

The Legislature recently provided guidance to the State, expressly acknowledging that because "residents and community groups on Molokai and Lanai have strongly opposed the construction of wind energy generation facilities on those islands" the Governor should "engage and work with Lanai, Molokai, and the other neighbor island communities when formulating energy policy and identifying energy projects for the state of Hawaii."³² FoL believes the Commission's Order opening this investigative proceeding is an important first step in comporting with the Legislature's intent.

FoL respectfully submits to the Commission that the long period of secrecy and uncertainty surrounding this proposal should end; it is well beyond a time when the Lānaʻi community and the public should be informed of the status and probability of this project, especially in light of the stated intention of the new majority landowner on Lānaʻi to insure the island's energy

³⁰ This particular "commitment" appears to run with the land, and FoL questions why Lānaʻi Resorts (aka Pulama Lānaʻi), the current majority landowner of Lānaʻi, is not a named party to this docket.

³¹ By the same letter agreement (Navigant Report at Appendix 8), HECO committed to "lower electric rates" for Lānaʻi (the responsibility of the Commission), most likely by transferring MECO operations to HECO; this proposal assuredly would require Commission if not shareholder approval, and HECO committed itself and MECO *inter alia* to "have Lānaʻi be 100% powered by renewable energy by 2020" and "allow for greater levels of distributed renewable energy" on the Manele circuit." [Kaye Declaration, at Exhibit 11] FoL could find no such commitments in the MECO IRP plans for Lānaʻi; see e.g. 2013-2033 IRP Report, Docket 2012-0036, Chapter 22, at 48-61.

³² See: http://www.capitol.hawaii.gov/session2013/bills/HCR189_HD1_.htm [Kaye Declaration, Exhibit 12]

independence and sustainability.³³ Since FoL and those it represents have significant property and other interests in CCR's potential development proposal that could alter the island irrevocably, FoL seeks intervention as a matter of due process.

III. EFFECT OF PENDING ORDER UPON FOL'S INTEREST.

FoL seeks closure, not only to the divisive and negative impacts CCR's proposed industrial wind power plant have had on the Lānaʻi community, but to the tense uncertainty caused in and around the entire state for many years now, heightened over the past year by CCR's sale of Lānaʻi's lands and retention of undisclosed rights to develop "Big Wind." FoL understands fully that this is an investigative proceeding only, and FoL hopes to assist the Commission in conducting a review of CCR's ability to perform and the project's status on a public and transparent basis.

It now appears that there is some residual confusion regarding which Castle & Cooke entity is the entity that reserved the rights to develop a wind power plant on Lānaʻi, and therefore which entity is the correct party to be named to this docket.

The PUC opened this Docket to review the progress of Castle & Cooke Resorts, LLC on its proposed Lānaʻi wind project. The Commission named Castle & Cooke Resorts, LLC as a party to the Docket, ostensibly because

³³ See e.g., http://online.wsj.com/article/SB10001424127887324798904578529682230185530.html?mod=WSJ_hpp_LEFTTopStories [Kaye Declaration, Exhibit 12]

evidence indicates that Castle & Cooke Resorts, LLC is the entity that possesses any rights that may remain to develop a wind project on Lānaʻi.

There is good reason to name Castle & Cooke Resorts, LLC for these purposes: (1) the PUC approved HECO's non-conforming bid submitted on behalf of **Castle & Cooke Resorts, LLC** on November 18, 2010; (2) HECO signed a Term Sheet with **Castle & Cooke Resorts, LLC** on March 18, 2011; and HECO filed a Motion to Reconsider the PUC's Order disallowing the assignment by **Castle & Cooke Resorts, LLC** of rights to develop a wind farm to an entity proposing to construct a wind farm on Molokai on August 3, 2011.

FoL is aware that Lānaʻi Island Holdings, dba Pulama Lānaʻi, claims to have been transferred all of the assets held by **Castle & Cooke Resorts, LLC**, excepting the "rights" to develop a wind project that is the subject of this investigation.³⁴ FoL is also aware that Castle & Cooke Properties, Inc., an entirely separate and distinct corporate entity, now alleges that the rights to develop a wind project on Lānaʻi have somehow been transferred or assigned to Castle & Cooke Properties, Inc., in a manner that has not been demonstrated through documents available for review by the public. Castle & Cooke Properties, Inc., without further investigation, requests that the PUC declare that **Castle & Cooke Resorts, LLC** is not the proper party in this investigation and that Castle & Cooke Properties, Inc., should be substituted as the proper party.

³⁴ See Letter filed by Lanai Resorts, 7/19/13 in Docket 2013-0168.

FoL strongly urges the PUC not to act upon the request of Castle & Cooke Properties, Inc. at this early time, based upon this undeveloped investigative record. At this juncture it seems plain that the rights to develop any wind project on Lānaʻi were possessed by **Castle & Cooke Resorts, LLC**. Whether, if, and how these rights passed to any other entity is something that should be investigated in these proceedings. Whether any purported transfer was legal or authorized should also be investigated. A letter from a corporate officer without any supporting documents cannot provide a proper basis for substituting out the entity that executed the Term Sheet with HECO and on whose behalf HECO obtained the waiver from competitive bidding in Docket 2009-0327.

FoL, as a party seeking to intervene in these proceedings as a matter of right, is entitled to participate in a complete investigation of the ability of **Castle & Cooke Resorts, LLC** to construct a wind power plant on Lānaʻi. Whether **Castle & Cooke Resorts, LLC** retains further rights to construct a wind power plant on Lānaʻi is extremely pertinent in this investigative docket.

Under the guise of one entity or another, Castle & Cooke is seeking a preemptive protective order on behalf of "Castle & Cooke Properties."³⁵ The confusion concerning which Castle & Cooke corporate entity is responsible for the written statement, and which Castle & Cooke corporate entity has assigned what rights to another Castle & Cooke corporate entity is especially

³⁵ See Letter filed by Castle & Cooke Properties, Docket 2013-0168 on 7/22/13, at p. 2.

problematic given the plain intent of the Commission's Order, which is to require **Castle & Cooke Resorts, LLC**³⁶ to "file a written statement not later than twenty days from the date of this Order (July 11, 2013), specifying in detail the status of its Lānaʻi Wind Project and addressing the uncertainty created as a result of the Lānaʻi Transaction."

In any event, perpetuating the culture of "secrecy" that has controlled the process for this proposal for the past five years would be unconscionable. There is no basis under Chapter 92F, HRS, to find "Castle & Cooke Properties", a corporation, has any privacy or other rights whatsoever to demand confidential status for this "written statement."³⁷

FoL, as a party seeking to intervene in these proceedings as a matter of right, strongly objects to the PUC granting any of the relief requested by Castle & Cooke Properties, Inc. at this time. Castle & Cooke Properties, Inc. must file a proper Motion to Intervene or to Substitute Parties, attaching competent proof demonstrating why it is a proper party, along with a proper Motion to Amend the Order of the PUC seeking an Extension of Time to file a "written statement" - if it is substituted for **Castle & Cooke Resorts, LLC** - and, if these two Motions are granted, a proper Motion for Protective Order. FoL has the administrative due process right to file Memoranda on each of these Motions before the PUC takes action.

³⁶ Out of respect for the Commission, FoL will serve the party named by the Commission until otherwise notified.

³⁷ Order, Docket 2013-0168 at 11.

IV. OTHER MEANS BY WHICH FoL'S INTEREST MAY BE PROTECTED.

At this time there are no other means by which FoL's interests in this investigative review can be protected.

V. EXTENT TO WHICH FoL'S INTEREST WILL BE REPRESENTED BY OTHER PARTIES.

FoL's position is not similar to the position of the other parties to this investigation. HECO's primary concern is its profit margin, and its primary fiduciary responsibility is to its shareholders. The Consumer Advocate ("CA") cannot adequately represent the interests of FoL, as it is concerned primarily with pricing and reliability of service to consumers, which in this case are O'ahu ratepayers only, since none of the power contemplated to be produced on Lāna'i will be consumed on Lāna'i. CCR has irrevocably relinquished its property interests on Lāna'i and therefore cannot represent the interests of FoL.

No party to this Docket is positioned to represent the interests of FoL.

VI. EXTENT TO WHICH FoL CAN ASSIST IN THE DEVELOPMENT OF A SOUND EVIDENTIARY RECORD.

FoL's intervention will have a beneficial impact on these proceedings. Without delaying the proceedings, FoL's participation can assist the Commission in insuring a complete record is developed. FoL and its supporters are primarily Lāna'i residents, many of whom can count several generations of Lanaians in their lineage. FoL can provide essential insight and

knowledge from the community's perspective.³⁸ Many individuals who joined and have supported FoL's efforts for the past five years have spent their lives, and some their livelihood, on the very lands and waters for which the Commission now seeks "site control" clarification; these individuals are uniquely positioned to inform the Commission.³⁹

VII. EXTENT TO WHICH FOL'S PARTICIPATION WILL BROADEN THE ISSUES OR DELAY THE PROCEEDING.

FoL will not broaden or delay the issues beyond those that are now, or may be set forth by the Commission in this docket.

VIII. EXTENT TO WHICH FOL'S INTEREST DIFFERS FROM THE GENERAL PUBLIC.

FoL's interests differ from that of the general public. FoL was formed specifically to monitor the progress, or lack thereof, of the proposed industrial wind power plant on Lānaʻi, and to represent those with concerns about its implementation, as well as to give a voice to those concerns. While growing numbers of the general public have joined FoL's efforts to seek a transparent process over the past several years, FoL is singularly positioned to represent the concerns of the community most impacted by the status of CCR's proposal - the Lānaʻi community.

³⁸ Pursuant to Commission appointment, Lānaʻi resident Sally Kaye recently completed a year's worth of work as a member of the Advisory Group for the Commission's Integrated Resource Planning (IRP) Docket, 2012-0036; she specifically served as a representative of FoL, and as such has served in a two-way communication capacity between the Lānaʻi community, the utilities, and, through the Advisory Group, to the Commission. See Order No. 30513 in Docket No. 2012-0036, Establishing the Advisory Group for the HECO Companies' Integrated Resource Planning Process, filed 6/29/2012, at p. 5.

³⁹ See Kaye Declaration at No. 5.

**IX. WHETHER FOL'S POSITION IS IN SUPPORT OF OR IN
OPPOSITION TO THE RELIEF SOUGHT.**

Consistent with the Commission's stated objective, FoL supports a full review and investigation into the status of CCR's "equivalent ability" to perform as proffered - and promised - in the 2008-2011 timeframe. Thus far, this proposed project has been successfully hidden from public view through sealed agreements and protective measures that have excluded FoL, its members and the general ratepaying public.

X. CONCLUSION/RELIEF REQUESTED

For all of the foregoing reasons, FoL respectfully submits that it meets the qualifications to intervene and become a party to these proceedings.

DATED: Wailuku, Maui, Hawai'i

7.26.13


Isaac Hall
Attorney for Friends of Lāna'i

BEFORE THE PUBLIC UTILITIES COMMISSION
OF STATE OF HAWAII

In the Matter of)	DOCKET NO: 2013-0168
)	
PUBLIC UTILITIES COMMISSION)	Declaration of Robin Kaye:
)	Exhibits 1-12
Opening a Proceeding to Review the)	
Progress of Castle & Cooke Resorts, LLC's)	
Proposed Lanai Wind Project.)	
_____)	

DECLARATION OF ROBIN KAYE

I, ROBIN KAYE, hereby state:

1. The statements below are based upon my personal knowledge, except where otherwise indicated.
2. I am the President of Friends of Lana'i (FOL) and have served in this capacity since 2008.
3. FOL was formally registered with the State of Hawaii in 2009.
4. The sole purpose of FOL is to represent the interests of numerous Lāna'i property owners, residents, rate and tax payers, and individuals from all islands in Hawai'i who are concerned about the status of the so-called "Big Wind" industrial development, a development that could potentially result in adverse social, cultural, economic and environmental impacts on the island of Lāna'i, as well as adversely impacting other areas of the state of Hawaii.
5. Many individuals who have joined and supported FoL's efforts for the past five years have spent their lives, and some their livelihood, on the very lands and waters for which the Commission now seeks "site control" clarification; these individuals are uniquely positioned to inform the Commission.
6. Attached as Exhibit 1 is a true and correct copy of a news article dated 7/2/13 entitled "Glick: Hawaii doesn't need Lanai's Big Wind to reach renewable energy goal" (Pacific Business News).

7. Attached as Exhibit 2 is a true and correct copy of a news article dated 7/5/13 entitled "Is Hawaii's Interisland Cable Plan Dead?" (Civil Beat).

8. Attached as Exhibit 3 is a true and correct copy of a relevant excerpt from a public record entitled "Status and Perspective on the Big Wind/Cable Project, prepared by Navigant Consulting, Inc. for the Department of Business, Economic Development and Tourism (DBEDT), dated 4/19/2011.

9. Attached as Exhibit 4 is a true and correct copy of a relevant excerpt of a public record entitled: "Hawaiian Electric Company Renewable Energy and Undersea Cable System RFP," entry dated 2/8/2013.

10. Attached as Exhibit 5 is a true and correct copy of a relevant excerpt from a public record entitled: "Lanai Wind Farm Project Lanai, Hawaii Environmental Assessment/Environmental Impact Statement Preparation Notice", filed by the Department of Business, Economic Development and Tourism (DBEDT) on 9/24/08.

11. Attached as Exhibit 6 is a true and correct copy of relevant excerpt from a public record entitled: "Status and Perspective on the Big Wind/Cable Project, prepared for DBEDT by Navigant Consulting, Inc. for DBEDT, dated 4/19/2011.

12. Attached as Exhibit 7 is a true and correct copy of true and correct copy of a relevant excerpt from the "Lanai Wind Farm Project Lanai, Hawaii Environmental Assessment/Environmental Impact Statement Preparation Notice", filed by the DBEDT on 9/24/08.

13. Attached as Exhibit 8 is a true and correct copy of a public record entitled: Appeal No. 13-20, filed by FOL with the Office of Information Practices, in December 2012.

14. Attached as Exhibit 9 is a true and correct excerpt from a public record entitled: *Castle & Cooke Resorts, LLC application for extension of the Habitat Conservation Plan and Incidental Take License to 2016, and the relevant Hawaii Revised Statute, 195D-4(h).*

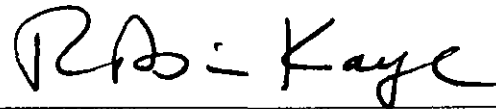
15. Attached as Exhibit 10 is a true and correct copy of a relevant excerpt from a public record entitled: "Status and Perspective on the Big Wind/Cable Project, prepared for DBEDT by Navigant Consulting, Inc., dated 4/19/2011.

16. Attached as Exhibit 11 is a true and correct copy of a public record entitled: House Concurrent Resolution 189 H.D. 1.

17. Attached as Exhibit 12 is a true and correct copy of a news article dated 6/13/13, entitled "Larry Ellison's Fantasy Island" (Wall Street Journal).

I, ROBIN KAYE, declare under penalty of law that the foregoing is true and correct.

DATED: July 25, 2013, Lana'i City, Hawaii.

A handwritten signature in black ink, appearing to read "Robin Kaye", written over a horizontal line.

Robin Kaye

- [Choose a City](#)
- [Local Business Directory](#)
- [Book of Lists](#)
- [Upstart Business Journal](#)
- [Contact Us](#)
- [Welcome, Robin](#)
- [Like on Facebook](#)
- [Follow on Twitter](#)
- [Follow on LinkedIn](#)
- [Follow on Google+](#)

[Pacific Business News](#)

Search

- [Home](#)
- [News](#)
- [People](#)
- [Events](#)
- [Jobs](#)
- [Resources](#)
- [Store](#)
- [Subscriber Content](#)

Jul 2, 2013, 2:23pm HST Updated: Jul 2, 2013, 5:14pm HST

Glick: Hawaii doesn't need Lanai's Big Wind to reach renewable energy goal



[Duane Shimogawa](#)

Reporter- *Pacific Business News*

[Email](#) | [Google+](#) | [Twitter](#) | [LinkedIn](#)

Hawaii State Energy Office Administrator [Mark Glick](#) said Tuesday that the 200-megawatt portion of the so-called "Big Wind" project on Lanai isn't essential for helping the state reach its renewable energy goal.

Glick told PBN that the planned \$1 billion undersea cable project, which would

Exhibit 1

connect Oahu to Maui and the Big Island, but not Molokai and apparently not Lanai, is about to get some traction soon.

That's because the Hawaii Public Utilities Commission is expected to be outlining a plan for the cable project in the coming weeks, Glick said.

"We believe it is essential and want to see it move ahead," he said. "State policy is clear on this, [as] we believe that the Oahu and Maui grid tie is a crucial element to stabilize and reduce rates, as well as create a larger, more robust grid to accommodate the greatest amount of renewable energy penetration."

Glick also pointed out that the state thinks it would be appropriate to have geothermal support from the Big Island to support this overall interconnection.

Meantime, Castle & Cooke, which kept the rights to build the planned 200-megawatt wind farm on Lanai after CEO David Murdock sold his interest in the island to Oracle Corp. CEO Larry Ellison, remains committed to the project, a company spokesman told PBN in May.

Earlier this year, Molokai Ranch decided against having a wind farm on its land, which took the Friendly Isle's 200-megawatt portion of Big Wind up off the table.

Duane Shimogawa covers energy, real estate and economic development for Pacific Business News.

We recommend

- [Cabela's set to open tomorrow](#)
- [Is Michael Jordan getting married?](#)
- [Bikinis busts out with 'breastaurant' trademark](#)
- [Elin Nordegren's billionaire boyfriend knocking down \\$4M home](#)
- [A third Austin Trader Joe's in the works](#)

From around the web

- [Growing A Small Business? Here Are 5 Financial Equations You Need To Know](#) The Huffington Post
- [The 12 Worst Supermarkets in America](#) The Fiscal Times
- [The Gorgeous White Dress Khloe Kardashian Wore To Kim's Baby Shower...](#) StyleBistro
- [10 Drugs That May Cause Memory Loss](#) AARP.org
- [4 Surgeries to Avoid](#) AARP.org

What's this?

[civilbeat@gmail.com](#) | Sign Out

Subscriber Supported Journalism

Search Civil Beat...

Search

 Best Overall News Site
Three years in a row

Tuesday, July 23rd, 2013

 HONOLULU
CIVIL BEAT

Like 14k

Follow


[Today](#) [Multimedia](#) [Live](#) [Honolulu](#) [Hawaii](#) [Education](#) [Land](#) [DC808](#) [Fact Checks](#) [Archive](#) [Topics](#)

14 Tweet 14 Like 63 Send

Is Hawaii's Interisland Cable Plan Dead?

By Sophie Cocke 07/05/2013

Hawaiian Electric Co. says it is years ahead of schedule in meeting renewable energy goals. And it won't have to rely on controversial interisland cables to bring power from the neighbor islands to Oahu, the company says.

A major component of the [Hawaii Clean Energy Initiative](#) has been to connect the electric grids of Oahu, Maui County and maybe even the Big Island via undersea cables. That plan was put in place in 2008 in an agreement between the state and HECO and requires the company to produce 40 percent of its power through renewable sources by 2030.

Utility executives and policymakers viewed Oahu, which contains 75 percent of the state's population, as energy hungry and resource poor. Tapping neighbor island resources for Oahu was said to be critical to meeting clean energy goals.

But a new [report](#) that details the utility's five-year energy plans for Oahu, the Big Island and Maui County says that Oahu can meet its renewable energy requirements on its own.

The plan also provides a timeline to take oil-fired generators offline, supports importing liquefied natural gas and installing smart grid technology throughout the islands. The report reflects an increasing focus on customer costs.

Islands Without Cables?

In 2012, with the help of Gov. [Neil Abercrombie](#), lawmakers passed a bill that facilitates financing for an interisland cable system. The legislation had stalled amid criticism of [Big Wind](#), a project that would bring wind energy from Lanai and Molokai to Oahu. The Molokai portion of the project has since fallen through.

The bill's supporters argued that the cable system was central to the state's energy plan. And as recently as last month, Robbie Alm, executive vice president of HECO, told Civil Beat that the utility couldn't reach 40 percent renewable energy by 2030 "without wind and cable."

But in the new report, HECO says each island, including Oahu, can meet renewable energy requirements on their own. And Alm, in a statement to Civil Beat, said this week the energy market is "constantly evolving" and that HECO is continuing to evaluate options and costs.

HECO now estimates that it will meet the 40 percent renewable energy benchmark somewhere between 2018 and 2022, about a decade ahead of schedule, without cables. Currently, 14 percent of the islands' electricity comes from renewables. That could approach 80 percent by about 2030, according to the report.

HECO spokesman Peter Rosegg attributes the change in outlook to the utility's recent request for low-cost renewable energy projects on Oahu. Developers submitted 25 bids and HECO hopes to negotiate contracts with five of the companies if the state Public Utilities Commission allows it to circumvent the competitive bidding requirement. Part of HECO's new plan is to fast-track energy projects.

The average combined prices of the projects, which include four solar projects and one wind farm, is about 16 cents per kilowatt hour, according to HECO. The price is lower than fuel costs — which are about 21 cents a kilowatt hour on Oahu — and less than past renewable energy contracts. Rosegg said that the lower price should pressure other developers to also reduce their bids.

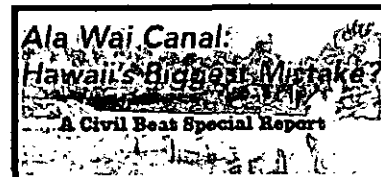
Rosegg said this doesn't mean that interisland renewable energy projects are off the table. HECO still intends to release a [long-overdue request](#) for renewable energy projects that can be sited on the neighbor islands and brought to Oahu via cables. The proposal has been awaiting final PUC approval for months.

HECO also has a legally binding agreement with Castle & Cooke for a Lanai wind farm. The wind project is dependent upon issuing the proposal request — currently the project lacks a way to get the energy to Oahu.



Hawaiian Electric

SPECIAL REPORTS



About the Author

 Sophie Cocke
Land Reporter-Host


Articles Sophie Cocke

Topics / Sophie Cocke

Thank you for subscribing to Honolulu Civil Beat! Because of your support, we are able to continue to provide quality, in-depth investigative reporting.

- Your Team At Civil Beat

Media



Related Content

Articles

[Hawaii's Biggest Clean Energy Contract Generating Big Interest](#)
[Delay In HECO's Energy Plan Is Driving Up Costs For Developers](#)
[HECO's New Five-Year Energy Plan Calls For Lowering Electric Bills](#)
[HECO's New Energy Plan Needs More Work, Some Who Worked On It Say](#)

Primary Topic Pages

[Big Wind](#)
[Energy in Hawaii](#)

Recommended Content

EXHIBIT Z

But HECO's new energy plan raises questions about whether the Lanai wind farm — and its pricing — will pass PUC scrutiny now that HECO says there are significant low-cost energy sources on Oahu. And it injects further insecurity into energy and cable projects that energy developers have been hoping to develop on neighbor islands for Oahu.

"It looks like events might just pass the cable by," said Doug McLeod, Maui County energy commissioner.

HECO says that it's possible that interisland cable projects could come in at lower prices than projects sited on Oahu. But estimates show cables add significant costs to projects. The cable from Lanai could double the price of the Lanai wind farm, according to HECO's report.

HECO's findings are also likely to bolster the arguments of critics who say Oahu should rely on its own resources, not the neighbor islands.

"It's a step in the right direction," said Sally Kaye, a member of Friends of Lanai, who opposes the Lanai wind farm. She was part of a 68-member task force that advised the utility on its energy plans.

"We've always maintained that islands need to be energy independent," Kaye said. "It's one of the reasons we fought this so much."

Harry Saunders, president of Castle & Cooke Hawaii, said that he hadn't read HECO's report yet. "I think we still need to go through the process of what actually happens," he told Civil Beat.

Castle & Cooke sold Lanai to Oracle CEO Larry Ellison last year, but kept the rights to build the wind farm.

Hawaii Residents Struggle With High Electric Rates

HECO has been criticized by state regulators in recent weeks for not doing enough to bring down electricity bills. A spike in oil prices has caused rates to soar to three times the national average. While the utility doesn't control the price of oil, state regulators say that HECO needs to do more to rein in operational costs that also factor into consumer electric bills. The company needs to come up with long-term plans that will lower rates, the PUC said.

To that end, HECO's five-year plan reflects an increased focus on easing the cost to customers.

HECO says it's taking a more aggressive approach to negotiating lower prices for renewable energy projects. The utility is also looking to build its own solar systems. HECO can build solar farms faster and cheaper under certain circumstances — for instance, if the utility owns the land or uses its own rooftops, Rosegg said.

HECO has outlined a schedule for taking eight of its oil-fired generators offline, which comprise about 14 percent of the utility's generation. It plans to use liquefied natural gas to diversify its fuel supply and bring down costs. And the company says it will continue to work on integrating more rooftop solar into its electric grids while trying to bring down costs for customers who don't have solar systems.

HECO also plans to install smart grid technology on Oahu, the Big Island and in Maui County by 2018, which would give customers greater control over their electricity use and help the utilities better manage increasingly complex energy loads.

Homeowners can significantly reduce or eventually eliminate their electricity bill with solar panels. But as more people switch to solar, state regulators worry that those without solar will pay higher electric bills to cover the utility's fixed costs. HECO says it is working to address this problem, but has no specifics.

HECO also plans to prorate the costs of technical studies required to make sure solar systems don't disrupt grid stability. Early solar adopters avoid these costs. But as more residents switch to solar, they are at higher risk of paying for the studies. Under HECO's prorating plan the costs will be spread across more customers.

HECO says it will seek bids for LNG in 2015 or 2016. The plan includes a floating storage and regasification facility, using a ship anchored off-shore.

So can Hawaii residents expect to be paying mainland electricity prices in the near future? It's unlikely. But HECO expects electricity prices to stabilize under its plan and be significantly lower than the cost of sticking with oil.

DISCUSSION: *What do you think of HECO's energy plan?*

Highlights from HECO's plan:

14 Tweet 14 Like 63 Send

Discussion



Log in to Facebook to see your friends' are doing.



Homeless in Hawaii? State Will Fly You Back to Family on Mainland
532 people recommend this



Should Hawaii Expect Flurry of Gay Marriages?
70 people recommend this.



What Should Hawaii Do For Micronesians?
146 people recommend this.

Facebook social plugin

Follow Civil Beat



5. 10/10/13

STATUS AND PERSPECTIVE ON THE BIG WIND/CABLE PROJECT

Prepared for:

The Department of Business, Economic Development,
and Tourism and the Department of Accounting
and General Services

State of Hawaii

Prepared by:

Navigant Consulting, Inc.

April 19, 2011

NAVIGANT

EXHIBIT 3

VII. COST EFFECTIVENESS AND RATE IMPLICATIONS OF THE BIG WIND PROJECT

A. Cost Effectiveness of the Big Wind Project Compared to HECO Burning Oil

Assuming the CCC Option is selected and based on currently available cost information, the Big Wind Project is cost competitive compared to HECO's alternative of burning low sulfur fuel oil in its existed fossil-fired generators at an oil price of about \$108/barrel.¹² Note that HECO's currently pays about \$101/barrel for fuel oil. The \$108/barrel break-even price is predicated on 400 MW of wind energy at 42.25% capacity factor (1,480,440 MWh/yr.) at the levelized Castle & Cooke energy price (13¢/kWh) plus (i) the levelized cable unit price for the CCC Option (5.6¢/kWh) and (ii) the levelized unit price of the O'ahu upgrades (1.1¢/kWh) for a total Big Wind energy cost of \$291,647,000. This cost would be offset by the avoided cost of the displaced oil. Using an energy conversion rate of 0.597 MWh/ barrel of oil, results in a break-even oil price of \$117.61. As HECO has advised that it pays the West Texas Intermediate ("WTI") price plus \$10 per barrel for residual oil, this results in a WTI price of \$107.61 as shown below:

Wind

Wind Capacity – 400 MW
 Wind Capacity Factor¹³ – 42.25%
 Annual Wind Energy – 1,480,440 MWh
 Wind Energy Price - 13¢/kWh
 Cable Price – 5.60¢/kWh
 O'ahu Upgrade Price – 1.10¢/kWh
 Total Delivered Wind Energy Cost (first year) - \$291,647,000

¹² The oil price quoted is West Texas Intermediate ("WTI"). HECO informs Navigant that it pays WTI plus \$10/barrel for its fuel oil.

¹³ Net capacity factors (Lanai – 46.20% and Molokai – 38.30%) adjusted for cable line losses (5.0%) and wind curtailments. As a sensitivity, Navigant also computed economic impacts with line losses increased to 8.0%.



Hawaiian Electric Company
Maul Electric Company
Hawaii Electric Light Company

SEARCH	go >
Account Login	Contact Us

RESIDENTIAL BUSINESS CLEAN ENERGY SAFETY AND EMERGENCY RECIPES COMMUNITY EDUCATION CAREERS ABOUT US

Renewable Energy and Undersea Cable System RFP

Request for Proposals (RFP) for Renewable Energy and Undersea Cable System Projects Delivered to the Island of O'ahu

The RFP process is subject to the Competitive Bidding Framework adopted by the Hawaii Public Utilities Commission in Decision & Order No. 23121, issued December 8, 2006, in Docket No. 03-0372.

On July 14, 2011, under Docket No. 2009-0327, the Commission filed an Order directing Hawaiian Electric to submit a draft RFP for a minimum of 200 MW of renewable energy using any available technology generated on or for delivery to the island of O'ahu. On September 26, 2011 the Commission issued Order Opening Docket No. 2011-0225 for the purpose of receiving filings, reviewing approval requests and resolving disputes, if necessary, related to Hawaiian Electric's plan to proceed with the competitive bidding process. Hawaiian Electric Submitted the Draft RFP for Renewable Energy and Undersea Cable System Projects Delivered to the Island of O'ahu to the Commission on October 14, 2011. On November 14, 2011, the Commission issued an Order Selecting Boston Pacific Company, Inc. as Independent Observer of the competitive bidding process for the RFP. On December 7th, 2011 a Technical Conference was held in Honolulu and broadcast online via WebEx. Materials presented at the Technical Conference and a recording of the presentation are available using the links below.

A Bidders Conference is expected to be scheduled 2 to 3 weeks after Commission review and approval of the Proposed Final RFP. Prospective bidders are required to submit a formal Notice of Intent to Bid (Appendix A of the draft RFP) to RenewableRFP@heco.com seven (7) calendar days following the Bidders Conference. All questions or comments related to the RFP should also be directed to the previously mentioned email address.

RFP Update (January 14, 2013):

Since the October 14, 2011 filing of the Draft Request for Proposals for Renewable Energy and Undersea Cable System Projects Delivered to the Island of O'ahu in Docket No. 2011-0225, Hawaiian Electric has received a voluminous number of comments from the public related to the Draft RFP. In consideration of the many comments and suggestions received, Hawaiian Electric prepared responses to these comments which may be of interest to prospective Bidders. Please see the link in the table below for the Hawaiian Electric's responses to RFP comments, dated October 1, 2012.

Furthermore, in response to these comments, Hawaiian Electric has made extensive revisions to the Draft RFP and contract forms. Hawaiian Electric is continuing to finalize the RFP in preparation of filing the Proposed Final RFP with the PUC. Since many of the responses to comments reference changes that will be included in the Proposed Final RFP, Hawaiian Electric has made available a Revised Draft RFP (dated September 28, 2012) containing edits incorporated since the October 14, 2011 Draft RFP filing for reference in connection with the comment responses. Hawaiian Electric currently anticipates filing the Proposed Final RFP with the PUC sometime in the second quarter of 2013.

Please see the links below for additional updates and information regarding the RFP:

[Information Update Regarding the Undersea Cable to Lana'i](#) (Posted 3/5/12)

Revised Draft RFP Documents:

Description	Date Posted	Link
Hawaiian Electric's Responses to Comments (comment no. 224 added on 2/8/2013)	February 8, 2013	Link
Revised Draft RFP For Renewable Energy and Undersea Cable System Projects Delivered to the Island of O'ahu	September 28, 2012	Link
RFP Appendix A - Notice of Intent to Bid	September 28, 2012	Link
RFP Appendix B - Bidder's Response Worksheet	September 28, 2012	Link
RFP Appendix C - Transmission Constraint Information	September 28, 2012	Link
RFP Appendix D - Model Purchase Power Agreement	September 28, 2012	Link
RFP Appendix E - Term Sheet of Additional Terms and Modifications to Model PPA for Off-O'ahu Renewable Energy Generation	September 28, 2012	Link
RFP Appendix F - Term Sheet of Additional Terms and Modifications to Model PPA for Combined Resource	September 28, 2012	Link
RFP Appendix G - Form of Transmission Development and Control Agreement (TDCA)	September 28, 2012	Link
RFP Appendix G - TDCA Appendix 1	September 28, 2012	Link

Exhibit 4

Introduction

This document contains questions and comments that were submitted to Hawaiian Electric Company, Inc. ("Hawaiian Electric") with respect to the Draft Request for Proposals for Renewable Energy and Undersea Cable System Projects Delivered to the Island of O'ahu that was submitted to and filed with the Hawai'i Public Utilities Commission on October 14, 2011 ("Draft RFP"). This document also contains Hawaiian Electric's responses to such comments, along with certain summarized questions and responses based on topic. The comments, questions and responses are grouped below according to the following categories:

<i>Category</i>	<i>Comment Numbers</i>
Cable to Lana'i.....	1 – 12
Commercial Considerations.....	13 – 51
Community Acceptance, Support, and Native Hawaiian Rights	52 – 60
Curtailment	61 – 70
Environmental Impacts	71 – 76
Evaluation – Non-Price.....	77 – 90
Evaluation – Price.....	91 – 97
Firm Renewable Power.....	98 – 101
Hawaiian Electric Option to Purchase	102 – 108
IRP	109 – 113
IRS, SIS, Interconnection Cost Estimates, and Point of Interconnection	114 – 119
Threshold Requirements	120 – 122
Cable Legislation, TTRR	123 – 134
RFP Process	135 – 173
Project and RFP Schedules	174 – 181
Site Control	182 – 190
Technical.....	191 – 209
Other	210 – 224

Cable to Lana'i

1. Hawaiian Electric received several questions regarding the cable from O'ahu to the Proposed Lana'i Wind Farm, including whether such a cable should be optional or required by a cable Bidder, and whether such a cable would be required to connect specifically to the Proposed Lana'i Wind Farm, or simply to Lana'i.

Response:

As stated in the Draft RFP, Hawaiian Electric has signed a term sheet with Castle & Cooke Resorts, LLC ("Proposed Lana'i Wind Farm Developer") that will require an inter-island transmission cable to deliver the electric energy from the Proposed Lana'i Wind Farm to the Hawaiian Electric System. For this

include a Lana'i cable Bid or Lana'i cable option. In addition, Cable Bidders will no longer be required to attempt to negotiate with the Proposed Lana'i Wind Farm Developer mutually acceptable terms and conditions for the interconnection of the Proposed Lana'i Wind Farm prior to submitting Cable Bids.

A Lana'i Cable Bid is a Bid to provide either (1) a cable between O'ahu and Lana'i (which Bid may include options to extend the cable to other islands), or (2) a cable from O'ahu to Lana'i via Moloka'i or Maui. (If there is a HVDC cable between O'ahu and Moloka'i, or O'ahu and Maui, the connection between Lana'i and Moloka'i (a "Moloka'i/Lana'i Spur"), or between Lana'i and Maui (a "Maui/Lana'i Spur"), may be an AC, rather than a DC, connection.

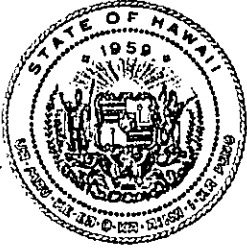
A Lana'i Cable Option would be an option for a Moloka'i/Lana'i Spur or a Maui/Lana'i Spur offered in conjunction with a Bid for a cable to an island(s) other than Lana'i. For a Lana'i Cable Option to be included in the Undersea Cable System submitted to the PUC for certification, a PPA between Hawaiian Electric and the Proposed Lana'i Wind Farm Developer will need to be executed, a Project Coordination Agreement between the Undersea Cable System Bidder and the Proposed Lana'i Wind Farm Developer (consistent with the form of Project Coordination Agreement attached to the RFP as Appendix J, provided that it may include additional or alternative terms to strengthen it) will need to be executed, and an interconnection agreement between the Undersea Cable System Bidder and the Proposed Lana'i Wind Farm Developer (consistent with the Interconnection Agreement Term Sheet attached to the RFP as Appendix I) will need to be executed. These agreements would be negotiated after the identification of the Final Award Group (in parallel with the finalization and execution of the TDCA and TTRR).

In the case of either a Lana'i cable Bid or a Lana'i cable option, the Bid must include the estimated cost of terminating the cable or cable connection on Lana'i. If the Bidder does not have necessary land rights on Lana'i, the Bidder will be required to identify the Bidder's estimated costs for the Lana'i site, the Bidder's estimated costs for upgrading Lana'i infrastructure to allow for installation of cable facilities on Lana'i, and the price impact of any difference between the estimated costs and the allowed actual costs.

The site of the Proposed Lana'i Wind Farm is located on the northwest portion of the island of Lana'i, County of Maui, State of Hawaii. Electric energy generated by the Lana'i Wind Farm to the Undersea Cable System at the Lana'i Point of Interconnection ("Lana'i POI") at a nominal operating voltage of 138 kV or as specified by Hawaiian Electric.

It is expected that the Lana'i POI would be at a 138 kV AC transmission line dead end structure inside a Lana'i POI AC Switchyard. The AC Switchyard would be either part of or adjacent to (1) an AC/DC Converter Station (if such a station is located on Lana'i), or (2) a stand-alone AC switchyard forming the terminal for an undersea AC cable (if there is an AC spur connecting Lana'i).

The Proposed Lana'i Wind Farm Developer will be responsible for paying for all new facilities required to deliver electric energy to the Lana'i POI. The facilities are expected to include one or more 34.5 kV/138 kV substations ("Collection Substations") and 138 kV circuits connecting the Collection Substation(s) to the Lana'i POI.



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

LINDA LINGLE
GOVERNOR
THEODORE E. LIU
DIRECTOR
MARK K. ANDERSON
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: www.hawaii.gov/dbedt

Telephone: (808) 586-2355
Fax: (808) 586-2377

September 24, 2008

Ms. Kathrine Puana Kealoha, Esq.
Director
Office of Environmental Quality Control
235 South Beretania Street, Suite 702
Honolulu, Hawaii 96813

Subject: Lanai Wind Farm Project Lanai, Hawaii Environmental Assessment / Environmental
Impact Statement Preparation Notice

Dear Ms. Kealoha,

As the accepting authority for the subject project pursuant to Act 207, Session Laws of Hawaii 2008, the State Department of Business, Economic Development and Tourism has reviewed the subject environmental assessment and determined that the proposed action requires the preparation of an Environmental Impact Statement based on the significance criteria set forth in Section 11-200-12 of Title 11, Chapter 200, Administrative Rules, State of Hawaii Department of Health. Please publish notice of availability for this project in the October 8, 2008 OEQC Environmental Notice.

We have enclosed a completed OEQC Publication Form, one copy of the document in pdf format, two copies of the environmental assessment / environmental impact statement preparation notice and the project summary on disk. Please call Mr. Joshua Strickler at 587-3837 if you have any questions.

Sincerely,

Theodore E. Liu

Enclosure: Lanai Wind Farm EA/EISPN

c: Mr. Joshua Strickler

Exhibit 5

**Environmental Assessment/Environmental Impact
Statement Preparation Notice
Lanai Wind Farm Project
Lanai, Hawaii**

Accepting Authority:

State of Hawaii

Department of Business, Economic Development & Tourism

Prepared for:

Castle & Cooke Resorts, LLC

Prepared by:

Tetra Tech EC, Inc.

And

R. M. Towill Corporation

September 19, 2008

The total height of the turbines from highest arc of the rotor blades would be approximately 410 feet above the turbine base. The actual height depends upon the turbine model ultimately chosen for the project. The wind turbines would begin generating energy at wind speeds as low as 9 miles per hour (mph) and produce full power at wind speeds above 25 mph. At speeds greater than 55 mph, the wind turbine automatically stops operating and remains stationary until the wind speeds drop below 55 mph.

The foundations for the turbines would consist of large reinforced concrete mats of up to 60 feet in diameter. These foundations typically extend 8 to 10 feet below grade. Other infrastructure required as part of the proposed project includes small pad-mounted transformers located at the base of each wind turbine tower; gravel access roads to the turbines; meteorological towers; overhead and underground transmission lines; underground electrical collection cables, substation(s), AC/DC converter station(s) on Lanai and Oahu, an operations and maintenance facility including shops, yard or storage of parts, an office area, and a marine, electrical cable.

2.1 PROJECT LOCATION

The proposed wind generation facility would be located within the primary wind resource area of approximately 12,800 acres (as shown in Figure 2) on the island of Lanai. Castle & Cooke plans to develop the wind energy facilities within the limits of the primary Wind Resource Area (WRA). However, during the design phase it may be necessary to extend the project facilities into the 9,300 acre secondary WRA to avoid impacts to natural or cultural resources, address topographical issues, or to accommodate other design issues. The project would be on privately owned land within the State Conservation District in the northwestern portion of the island, within Tax Map Key (TMK) (2) 4-9-002: 001 (portion). The project area parcels are bounded either by the ocean coastlines or by open lands presently owned by Castle & Cooke. No portion of the proposed project would be located on lands owned by the federal government.

The electricity produced from the proposed wind farm would be transported via one or more submarine cables between the islands of Lanai and Oahu. The cable route and landing areas on Lanai and Oahu would be selected and aligned to avoid environmentally sensitive areas and minimize crossing of other marine cables.

2.2 EXISTING LAND USES

The project area consists of an arid landscape that has been eroded by wind and water runoff. The current land uses is privately owned by Castle & Cooke and opened to the public primarily for hunting under a lease to the State and access to the shoreline for fishing and tourism. All roads into and within the project area are unpaved and in poor to unmaintained condition.

2.3 SURROUNDING GEOGRAPHY

The island of Lanai was formed by a single volcano and covers a land area of 89,756 acres. It is a generally hilly island that rises gradually to 3,369 feet above sea level at Lanaihale or Mount Palawai. The Kalohi Channel separates the island of Lanai from the island of Molokai to the north, and the Auau Channel separates Lanai from the island of Maui to the east.

STATUS AND PERSPECTIVE ON THE BIG WIND/CABLE PROJECT

Prepared for:

The Department of Business, Economic Development,
and Tourism and the Department of Accounting
and General Services

State of Hawaii

Prepared by:

Navigant Consulting, Inc.

April 19, 2011

NAVIGANT

Exhibit 6

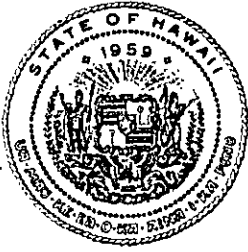
The Wind Projects will be constructed in "strings", i.e., circuits with a specified number of wind generators connected to each string. The strings would all be attached at a single collection point which is typically the Wind Project substation. A transformer at the substation will increase the voltage of the Wind Projects' generation (most likely to 138 kV for a 200 MW Wind Project). A 138 kV overhead line or buried cable will be installed by the wind developer to interconnect the Wind Project substation to the Cable Project's Point of Receipt ("POR"). For the Lānaʻi Wind Project, the POR will be a transition station on the north shore of the island. For the Molokaʻi Wind Project, the POR will be at the Cable Project converter station on that island.

The Cable Project

The Cable Project will include a submarine cable that will include both HVDC and AC portions. The HVDC portion, which will employ VSC technology, will entail 400 MW of cables (two 200 MW Monopole Systems or one 400 MW Bipolar System as described below) between Molokaʻi and Oʻahu (about 70 miles), with two adjacent converter stations each on Molokaʻi and on Oʻahu. The AC portion will be a cable capable of transmitting 200 MW (most likely a 138 kV cable) between Lānaʻi and Molokaʻi (about nine miles). Because the connection between Lānaʻi and Molokaʻi will be AC, there would be no requirement for a converter station on Lānaʻi. Installing the converter stations associated with both the Lānaʻi and Molokaʻi Wind Projects at a single site on Molokaʻi will provide substantial savings from the perspective of capital costs and operation and maintenance expenses.

The Wind Project on Lānaʻi will interconnect with one of the co-located 200 MW converter stations on Molokaʻi via the AC submarine cable. The point of interconnection (and demarcation) will be the transition station on the North Shore of Lānaʻi. Castle & Cooke will be responsible for installing the 138 kV transmission line (or buried cable) between its Wind Project substation and the transition station on the north shore of Lānaʻi. The AC submarine cable between the Lānaʻi transition station and the converter station on Molokaʻi will be the responsibility of the cable developer as part of the Cable Project. The landing site for the AC cable on the south shore of Molokaʻi will be through or under an existing break in the coral. The cable would continue for about one mile to the converter station site. Substantial directional drilling will be required to bring the cable from the transition station on Lānaʻi into the waters of the Kalohi Channel. Minimal directional drilling may be required on Molokaʻi.

As indicated above, installing the converter station for the Lānaʻi Wind Project on Molokaʻi will provide substantial cost savings. Converter stations include very sensitive and heavy (single phase transformers weigh almost 100 tons each) equipment. Because of the inability of the Kamalapau Harbor to off-load heavy equipment and the virtual non-existence of roads on Lānaʻi to handle such heavy equipment, very substantial infrastructure costs would need to be incurred to install a converter station on Lānaʻi. The pier at Kaunakakai Harbor, which has one hardened section and is adding another to accept heavy loads, along with the paved road system on Molokai can readily accommodate the delivery and transportation of converter station equipment



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: www.hawaii.gov/dbedt

LINDA LINGLE
GOVERNOR
THEODORE E. LIU
DIRECTOR
MARK K. ANDERSON
DEPUTY DIRECTOR

Telephone: (808) 586-2355
Fax: (808) 586-2377

September 24, 2008

Ms. Kathrine Puana Kealoha, Esq.
Director
Office of Environmental Quality Control
235 South Beretania Street, Suite 702
Honolulu, Hawaii 96813

Subject: Lanai Wind Farm Project Lanai, Hawaii Environmental Assessment / Environmental
Impact Statement Preparation Notice

Dear Ms. Kealoha,

As the accepting authority for the subject project pursuant to Act 207, Session Laws of Hawaii 2008, the State Department of Business, Economic Development and Tourism has reviewed the subject environmental assessment and determined that the proposed action requires the preparation of an Environmental Impact Statement based on the significance criteria set forth in Section 11-200-12 of Title 11, Chapter 200, Administrative Rules, State of Hawaii Department of Health. Please publish notice of availability for this project in the October 8, 2008 OEQC Environmental Notice.

We have enclosed a completed OEQC Publication Form, one copy of the document in pdf format, two copies of the environmental assessment / environmental impact statement preparation notice and the project summary on disk. Please call Mr. Joshua Strickler at 587-3837 if you have any questions.

Sincerely,

Theodore E. Liu

Enclosure: Lanai Wind Farm EA/EISPN

c: Mr. Joshua Strickler

EXHIBIT 7

**Environmental Assessment/Environmental Impact
Statement Preparation Notice
Lanai Wind Farm Project
Lanai, Hawaii**

Accepting Authority:

State of Hawaii

Department of Business, Economic Development & Tourism

Prepared for:

Castle & Cooke Resorts, LLC

Prepared by:

Tetra Tech EC, Inc.

And

R. M. Towill Corporation

September 19, 2008

along the transmission line to the converter station where the AC output from the turbines would be converted to high voltage DC. The DC current would be fed to the marine cable and then to Oahu. There, it would be brought to another converter station and substation and ultimately fed into the electrical grid.

2.4.7 Submarine Cable

The submarine cable array would be laid on the ocean floor along a route acceptable to state and federal environmental agencies. To the maximum extent possible, the cable would avoid areas with steep slopes and high potential for marine landslides; active faults, scarps and other seismic features; abrupt changes in grade; and extreme weather events. The preferred route would be aligned in such a manner as to avoid environmentally sensitive areas and minimize the crossing of other marine cables (Figure 4). Preliminary landing point locations on Lanai and Oahu are identified in Figure 4. Once final sites are chosen, detailed environmental and engineering surveys would yield further information to accurately determine specific locations that are the most suitable.

The submarine power system would consist of one or more cables between the islands of Lanai and Oahu. The takeoff point on the Island of Lanai would be in the rocky area west of Polihua Beach, thereby avoiding the turtle habitat of sandy beaches and offshore coral areas. Horizontal directional drilling (HDD) would ensure that the cable does not interfere with shoreline habitats. Marine surveys will be conducted in the vicinity of the selected HDD exit hole (approximately 70+ feet MLLW) to document environmental conditions.

2.4.8 Cable Landings

The landing point on the Island of Oahu would lie between Pearl Harbor and Kaneohe Bay. The cable would come ashore using trenches or through an HDD tunnel. Marine and cultural surveys will also be performed in these areas. Bathymetry data will be used in each case to avoid submarine hazards and steep slopes. Should steep slopes be unavoidable, the cable path would follow perpendicular contours to minimize risk to the cable. In addition to submarine topology, oceanic hazards as defined in the latest NOAA charts were also taken into consideration. These include military zones, buoys and fish aggregation devices, dumping grounds, dredge spoil areas, marine conservation areas and the three nautical mile state jurisdictional boundary. Finally, the location of existing submarine cables played a factor in designing the cable route. Engineers used both the NOAA navigation charts and existing proprietary databases to map the presence of existing cables. To be certain that the cable route would not interfere with military cables, the entire cable route was submitted to the offices of naval command for review. If needed the cable route will be adjusted as necessary to address their concerns.

2.4.9 Construction Logistics

Logistics will prove to be every bit as challenging as construction. Nearly all foundation, electrical and turbine components will need to be brought to the island via barge transport. The harbor in Lanai has been designated as a "Barge Only" harbor which restricts the transportation of materials to much smaller vessels thus adding the number of trips required for project construction. A transportation professional will manage the tasks associated with

this activity. Deliveries of materials and components for the wind farm to the Lanai harbor will need to be coordinated with the island's current suppliers.

2.4.10 Harbor Improvements

The existing Kaumalapau Harbor constructed approximately 80 years ago is small and as noted above only designed for barges limited to approximately 300 feet maximum length. In addition some of the wharf pilings are no longer structurally sound or even founded on bedrock. As a result the central portion of the wharf is restricted to limited loads and could not be used for turbine component off loading. The wharf is state owned but Castle & Cooke is currently studying improvements to the facility and plans to implement those improvements in the near future. These improvements, which include connecting non-bearing piles to bedrock, installing a new fender system, removal and reconstruction of the no-load section of the wharf, and removal of debris from the harbor floor, would increase the efficiency of the facility to accommodate all water-borne traffic.

The harbor would likely be the main limiting factor impacting the rate at which the wind farm can be constructed since it is small and only available on days when scheduled deliveries are not being made. In addition the harbor is subject to closure due to strong southerly winds known as Kona winds. During these occasions large waves and high swell in the harbor and off shore from the harbor prevent barges from using it. Recent improvements to the breakwater at the entrance to the harbor have improved its availability.

The harbor at Manele is not large enough for construction barge traffic and is intended only for recreational and passenger ferry use. It could be used to bring construction personnel to and from Lanai but is not suitable for large turbine components or heavy construction equipment. Additionally, State Highway 440 above Manele is steep with tight curves that would not allow the long trucks carrying turbine blades, nacelles or tower sections to negotiate turns.



NEIL ABERCROMBIE
GOVERNOR

SHAN TSUTSUI
LIEUTENANT GOVERNOR

STATE OF HAWAII
OFFICE OF THE LIEUTENANT GOVERNOR
OFFICE OF INFORMATION PRACTICES

NO. 1 CAPITOL DISTRICT BUILDING
250 SOUTH HOTEL STREET, SUITE 107
HONOLULU, HAWAII 96813
Telephone: (808) 586-1400 FAX: (808) 586-1412
E-MAIL: oiip@hawaii.gov
www.hawaii.gov/oiip

CHERYL KAKAZU PARK
DIRECTOR

February 1, 2013

VIA EMAIL

Mr. Craig I. Nakanishi
Ms. Erin H Yoda
Rush Moore, LLP

Re: Appeal from Denial of Access to General Records (APPEAL 13-20)

Dear Mr. Nakanishi and Ms. Yoda:

Thank you for your letter dated January 18, 2013, to the Office of Information Practices (OIP) regarding the appeal from Mr. Robin Kaye, President of the Friends of Lanai (FoL), of the Public Utilities Commission's (PUC) denial of FoL's government record request under Part II of the Uniform Information Practices Act (Modified), chapter 92F, Hawaii Revised Statutes (UIPA). The records at issue were submitted to the PUC by your client, referred to herein as Castle & Cooke.

The PUC provided OIP with its position regarding its denial of access to the records requested by FoL in a letter dated December 27, 2012. The PUC's letter was also sent to you, and advised that you "make the necessary arrangements directly with the OIP on the forwarding of the redacted and non-redacted versions of both agreements to the OIP for its in camera review."

On January 10, 2013, I spoke with Ms. Yoda, who indicated that Castle & Cooke has concerns about submitting unredacted documents to OIP for review. Ms. Yoda asked if it was possible to submit the documents with some redactions. I advised that OIP may be able to address the appeal with some redactions to the documents, if the redacted information is sufficiently described in a separate letter. Attachment A-1 to your January 18, 2013, letter to OIP contained essentially seven redacted pages of documents that you stated are the subject of this appeal, specifically:

(1) in the Sale Agreement, (a) the three full paragraphs on page 1 of Exhibit A, and (b) the first full paragraph on the top of page 2 of Exhibit A; and (2) in the PSA, (a) the sentence which fully defines "HECO Wind Energy Agreements" on page 6, (b) the third redacted block (second full paragraph) on page 49, (c) portions of the last redacted block on page 49 and the first redacted block on page 50, (d) the redacted information in Section 11.17 on page 59, and (e) the seventh and ninth redacted lines under Section 9 on page iii.

Exhibit 8

Mr. Craig I. Nakanishi
Ms. Erin H. Yoda
February 1, 2013
Page 2

Although your letter of January 18, 2013, is twenty pages long and presents Castle & Cooke's detailed position regarding disclosure, it does not describe the redacted documents with much detail. The following descriptions, along with page numbers are contained in your letter:

- Page 6: "the Confidential Wind Farm Information consists of confidential business and commercial information whose public disclosure would likely result in substantial competitive harm."
- Page 6: "competitors and others would know confidential terms and conditions of a private wind farm transaction and be able to use such information to Seller's disadvantage. . . ."
- Page 6: "Seller's and Buyer's confidential strategies would be publicly revealed."
- Page 8: the "Confidential Wind Farm Information contains contractual terms related to the sale/transfer between Buyer and Seller, among other things. . . . [and] Seller's and Buyer's confidential strategies. . . ."
- Page 9: "*honest and accurate business and financial information with respect to the buyer, seller, and overall transaction.*"
- Page 10: "Confidential Wind Farm Information . . . is commercial in nature, is obtained from persons outside the government structure, and is highly confidential and protected by the Companies and LIH as privileged."
- Page 11: described the Confidential Wind Farm Information as not information that relates to the relief requested in the PUC case, and "clearly the type of commercial information that would not be customarily released to the public."
- Page 11: "Companies' and Buyer's commercial information and negotiation strategies."
- Page 12: "the Confidential Wind Farm Information constitutes confidential commercial information provided for the purposes of negotiating the sale/transfer agreement."
- Page 12: "The Confidential Wind Farm Information contained in the unredacted versions of [the] Sale Agreement and PSA . . . represent information contained in the post-negotiation final agreement between the parties."
- Page 13: "Information related to Seller's rights to develop a wind farm are akin to assets held by an individual."
- Page 14: "confidential contractual terms."
- Page 17: "The Confidential Wind Farm Information consists of negotiated terms and conditions specific to the Sale Agreement and PSA, and have never been released publicly."
- Page 18: "The Confidential Wind Farm Information relates to the reservation of private rights in a privately negotiated transaction that also happened to contain the CCR Regulated Subsidiaries."
- Page 19: "the Confidential Wind Farm Information is *completely unrelated* to the subject matter in Docket 2012-0157 (namely, the transfer of the CCR Regulated Subsidiaries from CCI to LIH)."

These descriptions do not adequately inform OIP of specifically what information has been redacted. OIP has declined in the past to find records protected under the UIPA's "frustration" exception at section 92F-13(3), Hawaii Revised Statutes (HRS), without sufficiently detailed information. See e.g., OIP Op. Ltr. No. 02-07 at 11. According to page 15 of PUC Order No. 30889, the information FoL seeks is:

8/1/13

Mr. Craig I. Nakanishi
Ms. Erin H. Yoda
February 1, 2013
Page 3

1. From the Sale Agreement, dated May 2, 2012, as amended, the redacted information set forth in: (A) the three full paragraphs on page 1 of Exhibit A; and (B) the first full paragraph on the top of page 2 of Exhibit A; and

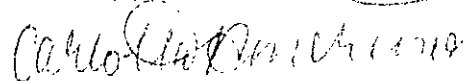
2. From the Purchase and Sale Agreement, dated June 27, 2012, the redacted information: (A) on page 6, the sentence which fully defines 'HECO Wind Energy Agreements'; (B) on page 49, Section 9.6; (C) on pages 49-50, portions of Section 9.8; (D) on page 59, Section 11.17; and (E) on page iii, the reference to Section 9.6 and the partial reference to 9.8.

OIP requests that non-redacted versions the information described in the PUC Order be submitted for OIP's review. OIP's asks that you provide this information within ten business days of your receipt of this letter.

OIP has the statutory authority to review the records of government agencies under section 92F-42(5), HRS, and does frequently request unredacted records for in camera review. At the end of such review, OIP will destroy the records, or will return them to the agency or entity that submitted them for review. Even when OIP believes a record cannot be withheld under the UIPA, OIP will not disclose the record to the requester. If the record is to be disclosed, disclosure will be by the agency maintaining the record and not by OIP.

Thank you in advance for your cooperation and assistance in this matter. Please do not hesitate to contact me if you have any questions or require assistance in responding to this letter.

Very truly yours,



Carlotta Amerino
Staff Attorney

CA:dms

cc: Mr. Robin Kaye
Mr. Michael Azama

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Division of Forestry and Wildlife
Honolulu, HI, 96813

February 24, 2012

Chairperson and Members
Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

Land Board Members:

SUBJECT: REQUEST FOR APPROVAL OF AMENDMENT TO INCIDENTAL TAKE
LICENSE AND HABITAT CONSERVATION PLAN FOR LANAI
METEOROLOGICAL TOWERS TO EXTEND TO 2016

BACKGROUND

The purpose of the Habitat Conservation Plan (HCP) and Incidental Take License (ITL) for the Lanai Meteorological Towers is to provide measures for avoidance, minimization, mitigation, and monitoring of incidental take of four endangered or threatened species, the Hawaiian petrel or 'ua'u (*Pterodroma sandwichensis*), Newell's shearwater or 'a'o (*Puffinus auricularis newelli*), Hawaiian stilt or ae'o (*Himantopus mexicanus knudseni*), and Hawaiian hoary bat or 'ōpe'ape'a (*Lasiurus cinereus semotus*). The HCP also provides measures to ensure a net recovery benefit to the species.

The Lanai Meteorological Towers were erected on the island of Lanai to collect data on wind speeds and patterns throughout the northern portion of the island to determine the suitability of the wind regime to develop a commercially viable wind energy facility. Because four endangered or threatened species were documented in the area, Castle & Cook developed a HCP to address potential incidental take.

On September 12, 2008, the Board of Land and Natural Resources (BLNR) approved the HCP, and the ITL was issued on October 10, 2008, with an expiration date of March 1, 2010.

On October 28, 2011, BLNR approved an after the fact amendment to the HCP for the purpose of extending the HCP to March 1, 2012, and an amended ITL was issued on January 4, 2012, with an expiration date of March 1, 2012.

On December 16, 2011, Castle & Cooke submitted a request to extend the HCP and ITL to March 1, 2016.

Exhibit 9

ITEM C-5

ANALYSIS

Castle & Cook is requesting an amendment to extend the HCP and ITL to 2016 for the purpose of allowing continued collection of data on wind speeds and patterns by one meteorological tower (with the option to reinstall the six other approved meteorological towers upon notification).

To date, there has been no take of any threatened or endangered species covered under the HCP and ITL. Despite the absence of take, Castle & Cooke has successfully completed the mitigation for Tier 1 take, which involved forest restoration on Lanaiahale and predator trapping.

On January 31, 2012, the Endangered Species Recovery Committee (ESRC) recommended approval of the amendment to extend the ITL and HCP to March 1, 2016.

RECOMMENDATION

The Department recommends that the Board:

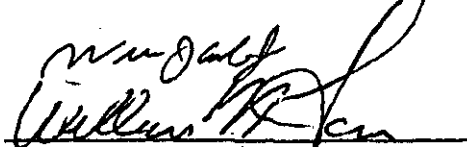
1. Approve the amendment to the Incidental Take License and Habitat Conservation Plan for Lanai Meteorological Towers to extend to March 1, 2016, by the required two-thirds vote of the authorized membership.

Respectfully submitted,



Paul J. Conry, Administrator
Division of Forestry and Wildlife

APPROVED FOR SUBMITTAL



William J. Aila, Jr., Chairperson
Board of Land and Natural Resources

Attachment A:	Amendment to Habitat Conservation Plan
Attachment B:	Amendment to Incidental Take License
Attachment C:	Original Habitat Conservation Plan (for reference)
Attachment D:	Original Incidental Take License (for reference)
Attachment E:	Amendment 01 to Incidental Take License (for reference)
Attachment F:	Endangered Species Recovery Committee Recommendations

9 11011 xE

§195D-4 Endangered species and threatened species. (a) Any species of aquatic life, wildlife, or land plant that has been determined to be an endangered species pursuant to the Endangered Species Act shall be deemed to be an endangered species under this chapter and any indigenous species of aquatic life, wildlife, or land plant that has been determined to be a threatened species pursuant to the Endangered Species Act shall be deemed to be a threatened species under this chapter. The department may determine, in accordance with this section, however, that any such threatened species is an endangered species throughout all or any portion of the range of such species within this State.

(b) In addition to the species that have been determined to be endangered or threatened pursuant to the Endangered Species Act, the department, by rules adopted pursuant to chapter 91, may determine any indigenous species of aquatic life, wildlife, or land plant to be an endangered species or a threatened species because of any of the following factors:

- (1) The present or threatened destruction, modification, or curtailment of its habitat or range;
- (2) Overutilization for commercial, sporting, scientific, educational, or other purposes;
- (3) Disease or predation;
- (4) The inadequacy of existing regulatory mechanisms; or
- (5) Other natural or artificial factors affecting its continued existence within Hawaii.

(c) The department shall make determinations required by subsection (b) on the basis of all available scientific, commercial, and other data after consultation, as appropriate, with federal agencies, other interested state and county agencies, and interested persons and organizations.

(d) The department shall issue rules containing a list of all species of aquatic life, wildlife, and land plants that have been determined, in accordance with subsections (a) to (c), as endangered species and a list of all such species so designated as threatened species. Each list shall include the scientific, common, and Hawaiian names, if any, and shall specify with respect to each such species over what portion of its range it is endangered or threatened.

Except with respect to species of aquatic life, wildlife, or land plants determined to be endangered or threatened pursuant to the Endangered Species Act, the department, upon its own recommendation or upon the petition of three interested persons who have presented to the department substantial evidence that warrants review, shall conduct a review of any listed or unlisted indigenous species proposed to be removed from or added to the lists published pursuant to this subsection.

(e) With respect to any threatened or endangered species of aquatic life, wildlife, or land plant, it is unlawful, except as provided in subsections (f), (g), and (j) for any person to:

- (1) Export any such species from this State;
- (2) Take any such species within this State;
- (3) Possess, process, sell, offer for sale, deliver, carry, transport, or ship, by any means whatsoever, any such species;
- (4) Violate any rule pertaining to the conservation of the species listed pursuant to this section and adopted by the department pursuant to this chapter; or
- (5) Violate the terms of, or fail to fulfill the obligations imposed

and agreed to under, any license issued under subsection (f), (g), or (j) any habitat conservation plan authorized under section 195D-21, or any safe harbor agreement authorized under section 195D-22.

(f) The department may issue temporary licenses, under such terms and conditions as it may prescribe, to allow any act otherwise prohibited by subsection (e), for scientific purposes or to enhance the propagation or survival of the affected species.

(g) After consultation with the endangered species recovery committee, the board may issue a temporary license as a part of a habitat conservation plan to allow a take otherwise prohibited by subsection (e) if the take is incidental to, and not the purpose of, the carrying out of an otherwise lawful activity; provided that:

(1) The applicant, to the maximum extent practicable, shall minimize and mitigate the impacts of the take;

(2) The applicant shall guarantee that adequate funding for the plan will be provided;

(3) The applicant shall post a bond, or deposit a sum of money in the fund created by section 183D-10.5, adequate to ensure monitoring of the species by the State and to assure that the applicant takes all actions necessary to minimize and mitigate the impacts of the take;

(4) The plan shall increase the likelihood that the species will survive and recover;

(5) The plan takes into consideration the full range of the species on the island so that cumulative impacts associated with the take can be adequately assessed;

(6) The measures, if any, required under section 195D-21(b) shall be met, and the department has received any other assurances that may be required so that the plan may be implemented;

(7) The activity, which is permitted and facilitated by issuing the license to take a species, does not involve the use of submerged lands, mining, or blasting;

(8) The cumulative impact of the activity, which is permitted and facilitated by the license, provides net environmental benefits; and

(9) The take is not likely to cause the loss of genetic representation of an affected population of any endangered, threatened, proposed, or candidate plant species.

Board approval shall require an affirmative vote of not less than two-thirds of the authorized membership of the board after holding a public hearing on the matter on the affected island. The department shall notify the public of a proposed license under this section through publication in the periodic bulletin of the office of environmental quality control and make the application and proposed license available for public review and comment for not less than sixty days prior to approval.

(h) Licenses issued pursuant to this section may be suspended or revoked for due cause, and if issued pursuant to a habitat conservation plan or safe harbor agreement, shall run with the land for the term agreed to in the plan or agreement and shall not be assignable or transferable separate from the land. Any person whose license has been revoked shall not be eligible to apply for another license until the expiration of two years from the date of revocation.

(i) The department shall work cooperatively with federal agencies in concurrently processing habitat conservation plans, safe harbor agreements, and incidental take licenses pursuant to the Endangered Species Act. After notice in the periodic bulletin of the office of environmental quality control and a public hearing on the

STATUS AND PERSPECTIVE ON THE BIG WIND/CABLE PROJECT

Prepared for:

The Department of Business, Economic Development,
and Tourism and the Department of Accounting
and General Services

State of Hawaii

Prepared by:

Navigant Consulting, Inc.

April 19, 2011

NAVIGANT

EXHIBIT 10

Appendix 8. Preliminary Document to Term Sheet – Castle & Cooke

LETTER AGREEMENT DATED JANUARY 3, 2011
by and between
HAWAIIAN ELECTRIC COMPANY, INC. and
CASTLE & COOKE HAWAII
Regarding
LANAI WIND FARM ENERGY PRICING AND COMMUNITY BENEFITS

VIA E-MAIL AND US MAIL

Mr. Harry Saunders
President
Castle & Cooke Hawaii

Dear Mr. Saunders:

This Letter Agreement documents the mutual understanding and commitments of Castle & Cooke Hawaii ("C&C Hawaii") and Hawaiian Electric Company, Inc. ("Hawaiian Electric") (collectively, the "Parties") of energy pricing and community benefits related to C&C's proposed development of either 200 MW or 400 MW of as-available wind power on the island of Lāna'i, and sale of energy from the wind farm to Hawaiian Electric. As you are aware, on November 18, 2010, the PUC approved a waiver from the Competitive Bidding Framework provided that (a) a fully executed term sheet is filed within four months of the PUC order; and (b) documentation of the fairness of the price negotiated between Hawaiian Electric and C&C Hawaii are included in any application for approval of a PPA. Although our companies are actively negotiating the provisions of a full term sheet to be filed in accordance with the PUC order in the March 2011 timeframe, documentation of our current understanding and commitments on energy pricing and community benefits is critical to guide further discussions of the project by our companies and other stakeholders and decision makers.

This Letter Agreement arises out of C&C Hawaii's proposal on September 25, 2008 (the "C&C Hawaii Proposal") made in response to Hawaiian Electric's Final Request for Proposals for Non-Firm Renewable Energy Projects, Island of O'ahu, June 2008 (the "RE RFP"), and the Agreement dated December 31, 2008, by and between C&C Hawaii and Hawaiian Electric (the "Bifurcation Agreement"). In response to its RE RFP, Company received proposals for large wind farms on the islands of Lāna'i and Moloka'i (the "Inter-Island Wind Projects"), with the power to be transmitted via undersea cable to O'ahu. The proposals were submitted by C&C Hawaii, for Lāna'i, and First Wind Hawaii, for Moloka'i. C&C Hawaii submitted proposals for 200 MW and 400 MW of as-available wind power generated on the Island of Lāna'i, delivered to a converter station on the Island of Lāna'i, and transmitted to O'ahu via undersea cable.

In the Bifurcation Agreement, C&C Hawaii and First Wind Hawaii each agreed to develop up to a 200 MW wind plant on each of the two islands. Under the Bifurcation Agreement, if one of the developers fails, the other would get most of the total project. Ultimately, the final size of each respective wind farm agreed to in a power purchase agreement

("PPA") with Hawaiian Electric will reflect all relevant considerations, such as technical and operational factors evaluated and determined in O'ahu wind integration studies and the respective energy pricing for each project, among others.

Hawaiian Electric and C&C Hawaii agree to conduct negotiations in furtherance of a potential term sheet and PPA, with the understanding that, among other things: (1) the price paid by Hawaiian Electric customers for C&C Hawaii's wind energy is to be on a fixed, per MWh basis not linked to the price of fossil fuel, is to be just and reasonable to electric customers, and is to be determined as more fully described in Attachment A to this Letter Agreement; (2) Hawaiian Electric and C&C Hawaii will provide the community benefits described in Attachment B as an integral part of the development of the wind farm; (3) the proposed wind facility will adhere to Hawaiian Electric's performance standards and will not adversely impact the Hawaiian Electric electrical system; and (3) any PPA entered into between Hawaiian Electric and C&C Hawaii will be subject to PUC approval. This Letter Agreement primarily documents our current understanding concerning energy pricing and community benefits. Final agreement on these and other provisions concerning technical performance requirements, project development milestones, integration with the development of undersea cable and O'ahu transmission infrastructure, and other matters are to be further negotiated and documented in the term sheet and PPA.

This Letter Agreement and its attachments shall be non-confidential, and either party may disclose its contents or provide copies to other parties at their discretion.

Please indicate your acceptance of this Letter Agreement by your signature below and on the attachments.

HAWAIIAN ELECTRIC COMPANY, INC.

By: _____

Name: Robert A. Alm
Its: Executive Vice President

CASTLE & COOKE HAWAII

By: _____

Name: Harry Saunders
Its: President

ATTACHMENT A**PRICING FOR ENERGY**

1. Pricing Sheets: Hawaiian Electric and C&C Hawaii agree that the energy pricing in the September 25, 2008 C&C Hawaii Proposal (the "2008 Castle & Cooke Pricing") in response to Hawaiian Electric RE RFP shall be used as the basis for negotiations for a term sheet in accordance with the PUC's Order dated November 18, 2010. This approach will allow the term sheet negotiations to proceed in a manner consistent with the documents and protocols established in the RE RFP docket and the Bifurcation Petition. The 2008 Castle & Cooke Pricing for wind energy on Lāna'i, not including interconnection, integration or undersea transmission costs, is as follows:

Wind Farm Size	Year 2012 Energy Price, \$/MWH	Annual Escalation
200 MW	116.00	1%
400 MW	99.00	1%

2. The Parties acknowledge that certain key assumptions used by C&C Hawaii in developing the 2008 Castle & Cooke Pricing are undergoing further review to reflect current and future conditions prior to signing a term sheet. Key pricing factors include, but are not limited to: (1) wind production capacity factor, (2) availability of federal and state tax incentives, grants, and loan guarantees, (3) wind turbine capital costs, (4) financing costs, and (5) site development and installation costs. Changes in these key pricing factors may justify higher or lower energy pricing.
3. The Parties agree that the total price of wind energy produced on Lāna'i and delivered to O'ahu electric customers must be reasonable and clearly cost competitive with other renewable energy options in order for the Interisland Wind project to be feasible. In furtherance of this, and in anticipation of costs of transmission that will be incurred on O'ahu and for the undersea cable between O'ahu and Lāna'i, the Parties agree that pricing for wind energy delivered to a point of interconnection at a converter station on the island of Lāna'i should be at or about \$130/MWH on a levelized basis over the term of the PPA for a 200 MW wind farm, and \$110/MWH for a 400 MW wind farm.
4. C&C Hawaii acknowledged and agreed in the Bifurcation Agreement that, in recent proceedings to approve PPAs that were not subject to competitive bidding, the PUC has required detailed information concerning project financials and economics in order to support a finding that PPA pricing is just, reasonable and in the ratepayers' interest. C&C Hawaii understands and acknowledges that it will be required to provide any such information to Hawaiian Electric that may be required or requested to support negotiation and execution of a term sheet and PPA, and PUC approval of the PPA, including information pertaining to the key pricing factors listed in paragraph 2.

ATTACHMENT B

COMMUNITY BENEFITS

Hawaii's economic security and stability are extremely vulnerable to and threatened by our over dependence on imported oil. Inevitable, uncompetitive and uncontrollable oil prices and sources require new alternate energy sources to insure the sustainability of our economy, our state, our future. With nearly 90 percent of our primary energy for electricity and transportation derived from imported oil, the State of Hawaii is the most oil-dependent state in the nation. This high dependency on oil has left Hawaii's economy, security and its businesses and residents vulnerable to continuously rising costs of electricity and transportation.

Renewable Energy continues to be at the forefront of goals for the State. Recently enacted law (HRS Section 269-92) mandates that electric utilities must generate 10% of their electricity from renewable energy sources by 2010, 15% by 2015, 25% by 2020 and 40% by 2030. Agreements involving the State of Hawaii, the U.S. Department of Energy and Hawaiian Electric Company (HECO) establish goals of 70% renewable energy by 2030.

Transformative change in Hawaii's renewable energy generation is necessary to achieve Hawaii's ambitious renewable energy goals. This will require substantial leadership, investment, commitment and cooperative efforts through government/utility/private sector partnerships and communities involving large-scale renewable energy projects.

The Interisland Cable and Lāna'i Wind Farm project can bring significant benefits to the State of Hawaii in reducing our use of and dependence on imported oil and helping the State reach its goal of 40% clean energy use by 2030. For O'ahu, it will help fix the cost of energy for at least two decades, buffering consumers throughout the State from some of the fluctuations and increases in oil prices. On Lāna'i, the project will be developed over thousands of acres with potential impacts to cultural and recreational resources, plants and wildlife, and the general community. Inasmuch as the electrical energy generated will be transported to O'ahu via submarine cable, the direct beneficiaries of the energy generated on Lāna'i will accrue to O'ahu's HECO ratepayers. While Lāna'i will receive some benefits, a program providing for community benefits directed to the Lāna'i community is warranted.

Since 2007 and in conjunction with the proposed Lāna'i Wind Farm, C&C Hawaii has initiated and participated in ongoing community outreach and listening sessions.

This outreach has included over 12 formal and informal townhall meetings and informational booths at the annual Pineapple Festival in addition to meetings with the Lāna'i Makani Group and other interest groups on Lāna'i. To further reach out to the community, direct mail newsletters and monthly information/stories have been printed in both the local newspapers as well as articles in the Maui News and the Honolulu Star Advertiser and its predecessors, the Honolulu Advertiser and the Honolulu Star-Bulletin. Over 30 small group briefings have been conducted with over 300 on-island employees of Castle & Cooke Resorts and Four Seasons.

In addition to these company-sponsored sessions, feedback has also been provided by organizations such as the Carpenters Union, the Local ILWU that represents over 600 workers and working families on Lāna'i, Lāna'ians for Sensible Growth (LSG), Friends of Lāna'i (FOI), Hawaiian Electric, and the renewable energy group of Department of Business, Economic Development and Tourism (DBEDT), and other community leaders.

This ongoing dialogue has surfaced both support and opposition as well as raised many areas of concern and question that will be further refined during the Environmental Impact Statement (EIS) process. That EIS will cover the interisland marine cable and the Lāna'i Wind Farm and as the final project and schedule are defined. That being acknowledged, there are a number of recurring themes that have been raised that can be addressed in many ways. Community benefits are dependent upon approval, construction and implementation of the Lāna'i Wind Farm, interisland cable and interconnection facilities, and the details and feasibility of certain items could be impacted by schedule/timing of the project and other factors such as prohibitions, requirements or conditions imposed in permitting or by law. The following community benefits derive from ideas and concerns raised by the Lāna'i community.

As part of the power purchase agreement with Hawaiian Electric, C&C Hawaii commits to the following:

1. Establish a Lanai Wind Community Benefits Fund from a portion of the gross revenue (1%) generated from the Lāna'i Wind Farm project. Funds would be deposited annually and directed to address the objective of improving the quality of life for the residents of Lāna'i in the following areas: economic diversification and job creation; medical and social/health services; education, training and recreation; and cultural and natural resource preservation over the life of the PPA. A minimum of \$100,000 annually would be dedicated to the Lāna'i Cultural and Heritage Center. Other entities related to the overall wind and cable project will also be allowed to contribute to this fund. The fund would be administered by a community foundation experienced in investing and administering funds such as the Hawai'i Community Foundation and advised by a committee of a cross section of Lāna'i residents who would determine the uses of funds for Lāna'i community needs and programs.
2. Continuing Lāna'i Economy. C&C Hawaii will maintain or directly support an employment level on the island of Lanai that is no less than C&C Hawaii employment levels today. C&C Hawaii may include in these employment levels the employees of any company to which it outsources or sells any of its current or future activities. C&C Hawaii may also include in these levels any new employment that comes as a result of

the activities provided for in these community givebacks such as a biofuel development operation. C&C Hawaii may also count any new employment from businesses created from the sale or use of any other C&C Hawaii lands on Lānaʻi.

3. Hunting. C&C Hawaii will continue resident access to hunting resources while maintaining and protecting wind turbine facilities. If it is required to limit access to hunting within the project area, C&C Hawaii will, before imposing any limits, make available comparable acreage for resident subsistence hunting to be no less than what is currently available. In addition to the protection of the resident's subsistence hunting, C&C Hawaii will also ensure the continuation on commercial non-residential programs with comparable hunting acreage. All of this is subject to the State or community programs and decisions to limit the impact that wildlife has on the environment, and to use of lands for agricultural or ranching purposes.
4. Access to Fishing. C&C Hawaii will continue to provide full access to the coastal fishing areas in the Ka'a region. In addition, C&C Hawaii will support actions initiated by the residents for a Community-Based Subsistence Fishing Area in the waters surrounding Lānaʻi.
5. Encourage Property Ownership. C&C Hawaii will provide current residential, agricultural and commercial lessees the opportunity to purchase, at fair market value, commercial and residential land or properties.
6. Continue to promote and protect the current rural character under the current Business Country Town (BCT) ordinance subject to legal, health and safety requirements.
7. C&C Hawaii will, as a priority, require its contractors to hire qualified Lānaʻi residents first, during the construction phase as well as the operation and maintenance of the Wind Farm. In addition, C&C Hawaii will require that its contractors ensure that workers comply with all laws and community standards for appropriate interaction with the Lānaʻi community.

C&C Hawaii will have a zero tolerance policy for contractors or their employees on harm committed to Lānaʻi residents, and intends to work with the community to create rules of conduct for employees on island.
8. C&C Hawaii commits to the removal of the wind farm structures at time of decommissioning.
9. C&C Hawaii commits to requiring its contractors to adhere to the protocols, management and staffing to address the archaeological and cultural impacts and mitigation called for in the EIS and by State law. Staffing for the monitoring of these activities shall consist of Lānaʻi residents unless it is not feasible.
10. C&C Hawaii commits to aggressively seek proposals from third parties to create a viable bio-fuel crop on Lānaʻi. To facilitate this program, 5,000 acres will be reserved for such

a program for the life of the wind farm, subject to utilization for other diversified agriculture in the absence of viable bio-fuel crops.

11. Watershed Preservation. C&C Hawaii commits to aggressively pursue with the support of the State of Hawaii, the continuation and acceleration of the maintenance and management of the Lāna'i Hale watershed area. To that end, C&C Hawaii will commit up to \$250,000 a year to the Lāna'i Hale watershed preservation during the life of the PPA.
12. Lāna'i Water and Resources. For as long as C&C Hawaii owns the Lāna'i water system during the terms of the PPA, C&C Hawaii will commit to contributing at least \$500,000 a year to capital improvements to the water system. If C&C Hawaii sells the system, this obligation will be assumed by the buyer.

To foster growth in diversified agriculture, the current reserve for agricultural use will be increased above the current allocation by 250,000 gallons a day.
13. C&C Hawaii will actively support Hawaiian Electric's commitments to the people of Lāna'i.

ATTACHMENT C

Hawaiian Electric Commitments

The wind farm on Lana'i is a critical component of Hawaii's move away from its current dependence on oil. That dependence poses a very substantial risk to the economy of Hawaii and, at the same time, is a very great opportunity to improve the economic condition of Hawaii. One of the community's goals is to spend energy dollars in Hawaii rather than overseas.

Having said that, the wind farm on Lana'i will impose burdens on the people of Lana'i. Hawaiian Electric and Maui Electric are part of the Lana'i community and have a firm and clear understanding of the community's feeling about the wind farm and about what community needs in the area of energy.

As part of the wind farm project, Hawaiian Electric and Maui Electric make the following commitments to the people of Lana'i:

1. Hawaiian Electric will lower the electric rates for the Lana'i residents and businesses to equal those of Oahu when the wind farm's power is connected to Oahu. Based on current rates, the reduction would be approximately 35%. This result will be achieved most likely by transferring Lana'i from Maui Electric to Hawaiian Electric. All of this is subject to PUC approval.
2. Hawaiian Electric and Maui Electric commit to have Lana'i be 100% powered by renewable energy by the year 2020. This may include solar, wind, biomass and biofuel resources and will, to the greatest extent possible from on-Lana'i resources. All of these will be subject as required to approval by the PUC.
3. Hawaiian Electric and Maui Electric will make grid improvement, particularly on the Manele Circuit, to allow for greater levels of distributed renewable energy and especially PV on the affected circuits. The grid improvements will, as required, be subject to PUC approval.
4. Hawaiian Electric and Maui Electric will request that the PUC permit the utility to provide solar water heating to any owner who wishes it by using a "PAYS"-like program which provide for repayment through shared savings on the bill.


Hawaiian Electric Company, Inc.

1/4/11
Date

5. Hawaiian Electric will contribute \$50,000 a year for the life of the PPA to the Lana'i Community Fund at the Hawaii Community Foundation once the islands of Oahu and Lana'i are connected. At the Companies' sole discretion, the contribution could instead be made to the Fund being set up by Castle and Cooke. Recovery of this amount will not be sought from the PUC.
6. Hawaiian Electric and Maui Electric fund a community-based campaign like Ma Ka Hana Ka Ike to assist the residents of Lana'i to achieve the greatest possible levels of energy conservation and efficiency. Each company will contribute \$15,000 a year for two years in order to complete the work with all homes on Lana'i. If further support over time is needed, it will be provided. Similarly, recovery of this amount will not be sought.


Hawaiian Electric Company, Inc.

1/4/11
Date

HOUSE OF REPRESENTATIVES
TWENTY-SEVENTH LEGISLATURE, 2013
STATE OF HAWAII

H.C.R. NO. 189
H.D. 1

HOUSE CONCURRENT RESOLUTION

REQUESTING THE GOVERNOR TO ENGAGE AND WORK WITH LANAI, MOLOKAI, AND THE
OTHER NEIGHBOR ISLAND COMMUNITIES WHEN FORMULATING ENERGY POLICY
AND IDENTIFYING ENERGY PROJECTS FOR THE STATE OF HAWAII.

WHEREAS, the construction and operation of an interisland high-voltage undersea electric transmission cable system has the potential to improve the distribution of electricity and power throughout the State; and

WHEREAS, Act 165, Session Laws of Hawaii 2012, authorized the construction and development of an interisland high-voltage undersea electric transmission cable system to link the electricity consumers of the island of Oahu to the wind energy generation facilities located on other islands of the State; and

WHEREAS, although the development of the interisland high-voltage undersea electric transmission cable system is innovative and seemingly attractive, the placement of wind energy generation facilities near communities throughout the State could have a profoundly negative impact on the communities surrounding the facilities; and

WHEREAS, wind turbines affect the beauty of the landscape, create noise pollution, impede subsistence hunting, gathering, and fishing, and pose potential risks for those who live nearby; and

WHEREAS, residents and community groups on Molokai and Lanai have strongly opposed the construction of wind energy generation facilities on those islands; and

WHEREAS, Act 165, Session Laws of Hawaii 2012, authorizes a regulatory structure for the construction of the interisland high-voltage undersea electric transmission cable system, but does not require the construction of the system; and

WHEREAS, the community on the island of Molokai has already begun working together with the State on an island-specific alternative plan to

Exhibit II

develop local renewable energy that will be less disruptive to the environment and the community; and

WHEREAS, energy projects face much less community opposition, delay, and legal challenges when the community is engaged early and is given the opportunity to work together with the State and energy partners; now, therefore,

BE IT RESOLVED by the House of Representatives of the Twenty-seventh Legislature of the State of Hawaii, Regular Session of 2013, the Senate concurring, that the Governor is requested to engage and work with Lanai, Molokai, and the other neighbor island communities when formulating energy policy and identifying energy projects for the State of Hawaii; and

BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolution be transmitted to the Governor, Chairperson of the Public Utilities Commission, Mayor of each county, Executive Director of I Aloha Molokai, Friends of Lanai, Lanaians for Sensible Growth, Kupaa No Lanai, and Lanai Cultural and Heritage Center.

News, Quotes, Companies, Videos

SEARCH

U.S. EDITION

Thursday, June 13, 2013 As of 7:51 PM EDT

\$1 A WEEK

for

12 WEEKS

SUBSCRIBE NOW

Subscribe Log In

Home World U.S. New York Business Tech Markets Market Data Opinion Life & Culture Real Estate Management C-Suite

Mansion House of the Day Commercial Developments Blog

TOP STORIES IN REAL ESTATE

1 of 12



The Rise of the Young Buyer



Napa Valley's Grande Dame Downsizes

2 of 12



Big Builders Buy Cash-Starved Rivals

3 of 12



Skyscraper Builders Reach Stars Again

COMMERCIAL REAL ESTATE

June 13, 2013, 7:51 p.m. ET

Larry Ellison's Fantasy Island

One of the world's richest people, Larry Ellison is known for his colorful exploits. Now he's tackling one of his most ambitious and expensive projects yet: rejuvenating one of Hawaii's smallest inhabited islands.

Article

Video

Slideshow

Graphics

Stock Quotes

Comments (61)

MORE IN COMMERCIAL »

28

Email Print

By JULIAN GUTHRIE

Lanai, Hawaii

Larry Ellison stood on the white sand of a deserted beach, bordered by palm trees laden with coconuts. It didn't feel real that he could own the island of Lanai, he reflected.

Fantasy Island



View Slideshow

Marco Garcia for the Wall Street Journal

Puu Pehe, or Sweetheart Rock, is near Hulopoe Bay, where Larry Ellison plans to build a new resort.

Larry Ellison, the co-founder and CEO of Oracle, has ambitious dreams of transforming the island of Lanai into a self-sufficient and eco-friendly destination for travelers as well as a key exporter of exotic produce. Photo: Four Seasons.

It had been his far-fetched dream since he was in his 20s, when he first flew over one of the smallest of Hawaii's inhabited islands in a Cessna 172 and was captivated by the thousands of acres of pineapple fields.

In June 2012, Mr. Ellison, the co-founder and chief executive of technology giant Oracle, ORCL +0.63% bought Lanai for \$300 million from American businessman David Murdock. Now he owns nearly everything on the island, including many of the candy-colored plantation-style homes and apartments, one of the two grocery stores, the two Four Seasons hotels and golf courses, the community center and pool, water company, movie theater, half the roads and some 88,000 acres of land. (2% of the island is owned by the government or by longtime Lanai families.)

For the first time, Mr. Ellison has publicly detailed his ambitious and

costly plans for the 141-square-mile island. They include building an ultraluxury hotel on the pristine, white-sand beach facing Molokai and Maui and returning commercial agriculture to the clear-cut acres. He also plans to endow a

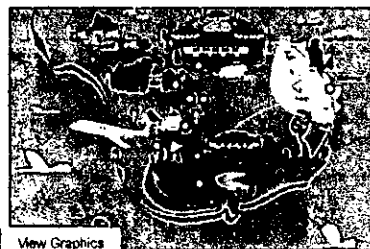
THE NEW PORTFOLIO TOOL ON WSJ.COM:
THE ULTIMATE INVESTMENT TRACKER
AVAILABLE EXCLUSIVELY FOR SUBSCRIBERS

LEARN MORE

By David W. Labovitz

Available to WSJ.com Subscribers

sustainability laboratory that will help make the island "the first economically viable 100%-green community." And one of his biggest tasks: winning over the island's small, but wary, local population, one whose economic future is heavily dependent on his decisions.



View Graphics

"We want to make the island better for everyone, especially the people who live there," Mr. Ellison said in a recent interview after returning from Lanai, where he bought a home formerly owned by the comedian George Lopez. "We have the right climate and soil to grow the very best gourmet mangos and pineapples on the planet and

export them year-round to Asia and North America. We can grow and export flowers and make perfume the old-fashioned way—directly from the flowers, like they do in Grasse, France. We have an ideal location for a couple of organic wineries on the island. But the reintroduction of commercial agriculture to Lanai is 100% dependent upon increasing the available water on the island. So we're going to use solar energy to convert seawater to fresh water."

He and his team have met with experts in desalination and solar energy to change the way water and electricity are generated, collected, stored and delivered on the island. They are refurbishing residential housing intended for workers (Mr. Ellison's Lanai Resorts owns and manages 400 of the more than 1,500 housing units on the island). They've tackled infrastructure, such as lengthening airport runways and paving county roads. And to improve access to Lanai, Mr. Ellison bought Island Air earlier this year and is closing a deal to buy another airline. He declined to divulge how much these projects are costing him.

Mr. Ellison, who grew up in the working-class South Side of Chicago, and dropped out of college and bounced from job to job well into his 20s, is one of the world's wealthiest people—his personal net worth is around \$40 billion. He is famous for his cache of yachts, planes and cars (he likes to say his favorite car is his "white Toyota," a white Lexus LFA, the company's \$380,000 race car), houses, and museum-quality collections of Japanese, Surrealist and Impressionist art. The 68-year-old bachelor—he is in a long-term relationship with a UCLA engineering student—also has some cool keepsakes, like *Bono's* guitar and Laird Hamilton's surfboard. And the America's Cup trophy—sailing's Holy Grail that his Oracle Racing team won in 2010—spends a great deal of time in the theater room of his Woodside, Calif., estate.

Earlier

Larry Ellison, the billionaire CEO of Oracle, has struck a deal to buy the bulk of the Hawaiian island of Lanai. Ben Worthen reports on digits. Photo: AP.

But Mr. Ellison—always on the lookout for the next great thing—never had his own island. He is involved in nearly every detail of the planning, from researching the location of the reservoir to store desalinated water, to monitoring the look and feel of a 1950s-style bowling alley and soda fountain to be opened in the center of Lanai City, near a historic bowling alley that now serves as a community center. He even knows what will be served at the soda fountain: pizza, hot dogs, hamburgers, root-beer floats and an old favorite drink from the '50s called a green river, made with sweet green syrup.

"I'm in two modes when I'm on Lanai: In

Oracle billionaire Larry Ellison has listed his 2.82-acre compound on the east shore of Lake

Should Bosses Know Your Genetic-Test Results?



First-Time Home Buyers Getting Left Behind



A Backdoor Approach to Union Organizing



U.S. Growth Outlook Stuck in Neutral

\$1 A WEEK FOR 12 WEEKS

SUBSCRIBE NOW

More in Commercial

Brookfield Asset Management Exceeds Target for New Fund
Skyscraper Builders Reach for Stars Again
Asian Real-Estate Investors Are Thinking Small
UBS Settles With Mortgage Regulator
Bay Area Rally Sends Rents Soaring

Popular Now

What's This?

1 FDA Cites Menthol Cigarette Risk

Opinion: Shelby Steele: The Decline of the Civil-Rights...



3 More Americans Living in Others' Homes



The Benefits of Acting More Sociable



William, Kate Introduce Royal Baby Boy



Show 5 More

Tahoe for \$28.5 million. Alyssa Abkowitz reports.
Photo: Jarvis Photography.

engineering mode, I'm trying to find the right place for the reservoir and the desalination plant, and looking at designs for new hotel rooms," Mr. Ellison said. "The rest of the time, I'm in decompression mode. I'm on Hulopoe Beach, going for a swim, or on my paddleboard surrounded by 100 spinner dolphins."



Other Pursuits: Larry Ellison in San Francisco watching from a boat during the finals of the America's Cup World Series sailing event.

Mr. Ellison's vision is as detailed as it is ambitious. Now he just has to get the island's population of 3,100 residents to go along with him.

Lanai (pronounced Luh-NAI-ee) has been dominated in recent centuries by the dreams of entrepreneurs. Over the years, everything from sugar-cane operations, sheep farms and piggeries to a penal colony for women have opened and closed. What worked for decades was James Dole's

transformation of the island into a pineapple plantation. Mr. Dole bought Lanai for \$1.1 million in 1922 and turned the island into the world's top supplier of pineapple. By buying up properties across the island and consolidating his holdings, Mr. Dole also ushered in a tradition of single ownership of the island.

But by 1986, when David Murdock purchased the island, the plantation operations were winding down as pineapples were being produced and sold more cheaply overseas. Mr. Murdock re-envisioned the island as a travel destination, building the Lodge at Koele, an English-manor-meets-Wyoming-hunting-lodge retreat 1,700 feet above sea level, and Manele Bay, for the beach-paradise experience.

The resorts faced myriad problems from the start. Travel to Lanai is indirect, requiring a 40-minute ferry ride from Maui or a plane ride via what was a less-than-reliable service. Koele's cool air and lodge theme proved popular with locals but a harder sell with tourists. And both resorts hit hard times during the economic crisis of 2008. Mr. Murdock's subsequent plan to build a giant wind farm on the island, which required installing tall turbines across the rolling hills and shoreline, polarized residents and failed to win the requisite approvals. Mr. Murdock, who reportedly invested \$700 million in improvements on the island, originally asked \$1.2 billion for it. By the time Mr. Ellison bought Lanai in 2012, the island was in a state of neglect and the mood was dour. Unemployment was up, shops were closed and the community pool was shut down.

Immediately after taking ownership, Mr. Ellison's team renovated and reopened the community pool, which sits in the center of town next to the combined elementary, middle and high school. They also installed a new play structure, swing set, and basketball and volleyball courts; removed boulders that had been placed around the park; brought in picnic tables and benches; and trimmed long-overgrown trees.

Kurt Matsumoto, the son of plantation workers who spent a decade managing Mr. Murdock's resorts, is now chief operating officer of Lanai Resorts, overseeing all of Mr. Ellison's operations on the island. Born and raised on the island, Mr. Matsumoto, 56, is also Mr. Ellison's point person in his relations with locals.

Mr. Matsumoto said Mr. Ellison's desire is to see Lanai's population grow from its current 3,100 residents to 6,000 residents, as fewer people leave for

Warren Buffett Confesses
Warren Buffett's Shocking Confession Will Change your Investing Strategy
www.MarketTrendSignal.com

(1200%) Stock?
Will This \$0.50 Stock Hit \$6.00? Will \$10,000 Turn Into \$120,000?
TheLifeWiki.com

Lose Weight Fast Diet
OZ's New Fat Burner Boosts Weight Loss Without Dieting or Exercise!
healthylifestylereports.com/



Enlarge Image

Marco Garcia for The Wall Street Journal

The Point Man: Kurt Matsumoto, COO of Lanai Resorts.

better opportunities and more people come to Lanai for work. Mr. Matsumoto described plans to improve educational opportunities for children, ensure quality health care and lower living costs—whether at the grocery store, where milk is nearly \$10 a gallon, or the pump, where unleaded gasoline is considerably more expensive than on the mainland (\$5.56 a gallon in early June).

For now, locals appear guardedly optimistic. "Not everyone will agree with what Ellison does, and you run into opposition from a few, but how can you argue with jobs and improving infrastructure? How do you disagree with things like the reopening of the community pool?" asked Phoenix Dupree, who runs the Blue Ginger Café and has been a resident of Lanai for 22

years.

Reynold Gima, a social worker for adult mental health who started the watchdog organization Lanaians for Sensible Growth to challenge some of Mr. Murdock's efforts, said he finds Mr. Ellison's management style "refreshing." It also helps that he knows and trusts Mr. Matsumoto, as many on the island seem to; the two men were in Little League and Boy Scouts together.

"They've been promised things before, but it wasn't fulfilled," Mr. Matsumoto said. So people are saying, 'I love the vision, but is it for real? That's fair.'"

Diane Preza, a kindergarten teacher who was born and raised on the island and is a member of a group called Kupaa No Lanai, founded to fight wind development, appreciates the improvements on Lanai under Mr. Ellison, but she wants to make sure new developments are done right. "We love it and feel it needs to be protected," she said. "There are sacred sites, archeological sites. There is a way of life that we love."

In January, Mr. Ellison met with Hawaii Gov. Neil Abercrombie. "As far as I'm concerned, he has not made a single misstep," said Gov. Abercrombie, a Democrat. "Unemployment on Lanai has just about disappeared. Traffic to the island is up. If nothing more than the economy, I would say he is the best thing that's happened to the island in 50 years."

Mr. Ellison said that one of the first things he did after buying his fantasy island was to research the competition—a popular luxury hotel on Maui.

"So I took my boat Musashi and sailed over to Maui to check it out," Mr. Ellison said. "We got off Musashi at Lahaina Harbor, jumped into a car, got on a four-lane freeway and drove to the [hotel]. It's a totally different experience. Maui reminded me of San Diego; beautiful but crowded."

However, Mr. Ellison was initially less than impressed with the two Four Seasons hotels he'd acquired when buying the island. He described the food as "inedible" and the décor "dreadful." He said his team was able to open a Nobu—the luxury Japanese restaurant chain run by celebrity chef Nobu Matsuhisa—in the Four Seasons Manela Bay in December after just five weeks, in time for the critical holiday rush. His team also removed nearly all of the art, objects and Chinese furniture that had belonged to Mr. Murdock, and replaced it with Hawaiian pieces and furniture in sandy-beige hues.

In the near term, Mr. Ellison's most important challenge is to get a new desalination system in place to convert saltwater to fresh water. He wants to bring the number of gallons of available fresh water to 10 million daily from four million. But he also is forging ahead with other projects. He is setting up charging stations for electric cars and plug-in hybrids, and replacing Island Air's old-model Dash 8 aircraft with new ATR 72s. He is working to create "Lanai lounges," he said, in Honolulu and Maui airports, so "when you land you go directly to a Lanai lounge, have a cup of tea, check into your hotel room, make dinner reservations for that evening, get on an Island Air ATR, and 10 minutes later you're on the island of Lanai with a table waiting for you at Nobu."

Mr. Ellison's vision for a third hotel on Lanai received approval in late May from the Lanai Community Plan Advisory Committee. He envisions a small upscale resort of no more than 100 rooms, on the beach at Halepalaoa Landing.

"Imagine these *hale*, these grass huts on the beach," Mr. Ellison said excitedly of his plans for the new resort. "They are individual hale, built on poles in the sand. We will retain the unspoiled primitive nature of the beach." He says the hotel will be a model of sustainability—generating electricity from the sun, making its own fresh water, reusing "gray water for irrigation, and all the buildings will be made from light, renewable materials, like bamboo."

Mr. Ellison added, "It's surreal to think that I own this beautiful island. It doesn't feel like anyone can own Lanai. What it feels like to me is this really cool 21st-century engineering project, where I get to work with the people of Lanai to create a prosperous and sustainable Eden in the Pacific."

—Ms. Guthrie is the author of "The Billionaire and The Mechanic: How Larry Ellison and a Car Mechanic Teamed Up to Win Sailing's Greatest Race, the America's Cup," published June 4 by Grove/Atlantic.

A version of this article appeared June 14, 2013, on page M1 in the U.S. edition of *The Wall Street Journal*, with the headline: LARRY ELLISON'S FANTASY ISLAND.

JOIN THE DISCUSSION
61 Comments. add yours

MORE IN
Commercial »

Email

Print

Order Reprints

THE NEW PORTFOLIO TOOL ON WSJ.COM
THE ULTIMATE INVESTMENT TOOL
AVAILABLE EXCLUSIVELY FOR SUBSCRIBERS

Warren Buffett Confesses
Warren Buffett's Shocking Confession Will Change your Investing Strategy
www.MarketTrendSignal.com

(1200%) Stock?
Will This \$0.50 Stock Hit \$6.00? Will \$10,000 Turn into \$120,000?
TheLifeVWkl.com

2013 Best Skin Tighteners
How To Tighten Loose, Sagging Skin Without Surgery, Lasers, or a Dr.
www.SkinCareSearch.com/FaceLifting

Lose Weight Fast Diet
OZ's New Fat Bumer Boosts Weight Loss Without Dieting or Exercise!
healthyfestylereports.com/

Add a Comment

View All Comments (61)

JOURNAL COMMUNITY

Community rules

To add a comment please

Log in

Create an Account

Your real name is required
for commenting.

 Track replies to my comment

Subscribe Now for Full Access to WSJ.com

\$1 A WEEK FOR 12 WEEKS

Subscribe Now

WSJ Subscriber's content provides:

- **Personalized** tracking of industries
- **Heard on the street** up-to-the-minute news and analysis that affects the markets and industries
- **Core business news:** "What's News" and new "Management" section

Editors' Picks



Chinese Shopping
Tours Go Out of Fashion
in Paris



Which Yard Gear Sells
Best



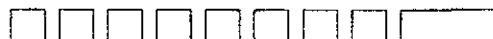
Image Making in the
Aftermath of the Digital
Revolution



More Americans Living
in Others' Homes



A Celebration of Days
Gone By



[Subscribe / Login](#)

[Back to Top](#)

Customer Service

[Customer Center](#)
[New! Live Help](#)
[Contact Us](#)
[WSJ Weekend](#)
[Contact Directory](#)
[Corrections](#)

Policy

[Privacy Policy](#)
[Data Policy](#)
[Copyright Policy](#)
[Subscriber Agreement
& Terms of Use](#)

Ads

[Your Ad Choices](#)
[Advertise](#)
[Advertise Locally](#)
[Place a Classified Ad](#)

Tools & Features

[Apps](#)
[Newsletters and Alerts](#)
[Graphics & Photos](#)
[Columns](#)
[Topics](#)
[Guides](#)
[Portfolio](#)
[Old Portfolio](#)

More

[Register for Free](#)
[Reprints](#)
[Content Partnerships](#)
[Conferences](#)
[SafeHouse](#)
[Mobile Site](#)
[News Archive](#)

[Jobs at WSJ](#)

Copyright ©2013 Dow Jones & Company, Inc. All Rights Reserved.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing document(s) was duly served upon the party listed below by:

<u>METHOD</u>	<u>DATE</u>
---------------	-------------

<input type="checkbox"/> Court Jacket	
---------------------------------------	--

<input type="checkbox"/> Hand	
-------------------------------	--

<input type="checkbox"/> Facsimile	
------------------------------------	--

<input type="checkbox"/> Delivery in Open Court	
---	--

<input checked="" type="checkbox"/> Mailing through the United States Postal Service, postage prepaid	
---	--

Dean K. Matsuura
Manager, Regulatory Affairs
Hawaiian Electric Company, Inc.
P. O. Box 2750
Honolulu, HI 96840-0001

Jeffrey T. Ono
Executive Director
Department of Commerce and
Consumer Affairs
Division of Consumer Advocacy
P. O. Box 541
Honolulu, HI 96809

Harry A. Saunders, President
Gary M. Yokoyama, VP and Assistant
Secretary
Castle and Cooke Resorts, LLC
680 Iwilei Road, Suite 510
Honolulu, HI 96817

DATED: Wailuku, Maui, Hawai'i

7.26.13



Isaac Hall
Attorney for Friends of Lānaʻi

ISAAC DAVIS HALL

ATTORNEY AT LAW
2087 WELLS STREET
WAILUKU, MAUI, HAWAII 96793
(808) 244-9017
FAX (808) 244-6775

July 26, 2013

The Public Utilities Commission,
State of Hawaii
Kekuanao'a Building, First Floor
465 South King Street
Honolulu, Hawaii 96813

Re: Docket No. 2013-0168
Motion to Intervene

FILED
2013 JUL 29 P 1:35
PUBLIC UTILITIES
COMMISSION

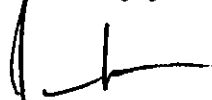
Dear Public Utilities Commission, State of Hawaii,

I represent Friends of Lana'i ("FOL"), a public interest, not for profit entity registered with the State of Hawaii. Please find enclosed the original and nine copies of our Motion to Intervene in the above-captioned Docket. Please also find enclosed the fifteen dollar (\$15) filing fee. Kindly return by mail a file-marked copy of the Motion to Intervene.

Please do not render any further decisions in this Docket, including on the requests contained in the letter to the PUC from Castle & Cooke Properties, Inc., filed on July 22, 2013, until you acted on this Motion to Intervene and recognized Friends of Lana'i as a party.

Thank you for your consideration of these matters.

Sincerely yours,



Isaac Hall
Attorney for Friends of Lana'i

IH/gr
Enclosures
Cc: Client